Does Current Economic Theory Impose a Materialistic View of Work?

Standard theory in economics frames labor market decisions around a trade-off between time spent working, which is assumed to be unpleasant, and leisure, which is assumed to be enjoyable. The value of work is framed not in terms of intrinsic value, but in instrumental terms of production, wages, and consumption. This formulation has a significant influence on modern economic life, providing the vocabulary for the workplace, education, and vocational decisions. The broad literature on the theology of work, however, pushes back against this framing. We are reminded that our work can be good in its own right, as a way in which we serve God and others. In this article, we explain the differences between standard economic and theological thinking, and then show that a rich theological account of vocation can change the way we think about important decisions, institutions, and policies.

Introduction

Economic modeling has proven to be very useful for understanding the behavior of individuals and broad movements in markets. In labor economics—the subfield that focuses on the behavior of labor markets, wages, jobs, and education—the basic economic frameworks do an excellent job describing much of the most important phenomena. We know why some professions are more richly compensated than others. We know a lot about the impact of investments in education and the movement of immigrants.

The usefulness of these models does not, however, always allow us to draw useful ethical conclusions about behaviors or institutions. In particular, economic
modeling tends to provide a good vocabulary for talking only about the material elements of labor market behavior. Work is described only in terms of time, productivity, and compensation. Empirical observations are framed by a body of theory that posits that the preferences of consumers and workers drive decisions about how much to work and how much to value the output. Businesses are reduced to organizations that focus narrowly on maximizing profit. Because this approach explicitly leaves out questions of purpose, virtue, relationships, and the common good, nonmaterial elements of work are rarely given significant attention in economic discussions. We argue that, as a result, economic analysis overemphasizes material considerations when thinking about work and leisure and thus ill-informs ethical thinking about labor markets and work.

In contrast, the growing literature on the theology of work offers a fine corrective. While leaving much of the empirical analysis of material production to the disciplines of economics, management, and engineering, this body of work includes a coherent and robust literature that explores the ultimate significance of work and leisure. In many of these accounts, daily work in the commercial realm can be genuine service to God and neighbor, can be guided by the Spirit, and can be used by God in bringing about a new creation. In short, humans are created and called to serve God in productive material ways.

When integrated with economic analysis, this theology lends itself to a much richer ethical account of labor market participation, which can be used to illuminate and add depth to significant public policy debates. We summarize three ethical principles from this literature and conclude with brief applications to the discussion of the minimum wage, trade, technology, universal basic income, and the measurement of economic progress.

**Standard Economic Framework**

Economists think about human work in two ways.¹ From the perspective of the worker, labor is purely a means to an end. People are assumed to get pleasure from leisure and consumption.² Time spent working diminishes leisure but is rewarded with wages that allow for the purchase of goods and services. This sets up the central trade-off for the worker: labor, which funds consumption, versus leisure, which is good for its own sake. This simple framework, while incomplete, allows economists to explore many common economic phenomena: job search behavior, time spent working, retirement, and responses to income taxes and means-tested government programs.

The second way that economists think about work comes from the perspective of an employer. Workers offer time and skills that can be obtained in order to
produce a good or service for a firm. The goal for the firm is to produce goods of high value at low cost in order to maximize profits. Labor is thus evaluated in terms of the productivity (value produced) and the cost (wages). This framework is important for understanding how firms invest in new training and machines, how many workers they hire or lay off, and the impact of immigration and wage regulations.

In both of these models, work is valued in material terms. For the worker, labor is valued as a way to get wages and ultimately purchase and consume desired goods. For the firm, labor is valued as an instrument to produce goods and services that can be sold to generate profit for the firm and its owners. Together, these two frameworks are both important for understanding the setting of wage rates and the functioning of the labor market. Workers and firms negotiate wages and hours, with each side considering alternative ways to achieve their respective goals. High-productivity workers with good outside options can ask for high wages. Low-productivity workers and those with few outside options will only be able to ask for lower wages.

**Materialism**

Within these standard economic models, the value of work is primarily material. While economists can acknowledge a broader set of motivations in the workplace, our toolset gives a nuanced vocabulary only for the material elements. In the popular media, it is common to discuss the availability of “good” jobs, by which people might refer to jobs with many characteristics: generous compensation, stable work, health insurance, good work environment, freedom for creative thinking, worker safety, flexible work arrangements, or an opportunity to contribute to the common good. In economic modeling, we can broadly discuss all of these concerns but only model the material elements: compensation, benefits, and job stability. All other characteristics enter into the economic framework indirectly through wage rates. All else equal, jobs with better characteristics can pay lower wages and those with worse characteristics pay higher wages.³

This materialistic emphasis makes the determination of wages especially important, since they dominate modern discussions about the value of work. As a result, economists and philosophers have long examined the way in which we assign values to goods and services in the market. While economists have historically disagreed substantially about questions of value, economists in the last century have emphasized the joint role of consumer preferences and worker productivity.⁴ The ultimate sources of value, in this materialistic vocabulary, are consumer desires and a worker’s ability to produce goods and services.
Following a classic interpretation of market prices, economists often argue that wages provide useful information about what people desire and what skills are most needed. The most productive workers creating the most scarce and most wanted goods will receive the highest compensation.

This framework provides an important window into the way labor markets function, but it does not provide a vocabulary for many important concerns. This is the materialistic failing of economic theory and modeling: some important concerns cannot be discussed with any nuance within the framework and are thus only pursued outside the discipline. Two examples of this failing will suffice here. First, economic language does not allow us to draw distinctions between work that is doing good and work that is doing something bad. Because the ultimate criterion for valuing production is human desire, we can only pass judgements on human desires when they conflict. This means that the economist qua economist cannot draw a strong distinction between someone who spends their career producing family photographs and one who produces pornographic photographs. Both are in steady demand, both take advantage of the latest technology, and both provide steady reliable work. Alternatively, there is no economic distinction between someone who designs manufacturing equipment to mass produce medicine and equipment used to mass produce landmines. Both can be done slowly or quickly, both require significant skill, and both might command high wages.

A second example is the inability to draw any distinction between virtue-forming and vice-forming work. Jobs that encourage genuine concern for others may be economically indistinguishable from those that encourage indifference. Similarly, jobs that give workers a chance to exercise autonomy and creativity can be economically similar to those characterized by lack of control and monotony. In economic terms, the “development” of workers is limited to their skill set. Investments in education and training increase productivity, while a lack of investment or active work subjects a worker to skill depreciation. In contrast, some scholars have argued that, normally, commercial activity is not virtue-forming, whereas others have argued that normally it is. In order to make these arguments, however, these scholars have to reach beyond the reigning economic vocabulary.

It is worth noting, moreover, that economic indifference to these moral distinctions is important. The strongest rhetorical defense of ethical failings in economic life depends on this economic framework. The pornographers will argue that they are merely meeting a consumer demand, and the employer that rewards unethical behavior can extol a concern for the economic “bottom line” and “job creation.” In short, the absence of a rich moral vocabulary in our economic language contributes to real problems in the workplace.
Does Current Economic Theory Impose a Materialistic View of Work?

A moral evaluation of economic systems that allow for production of good things and bad things and the formation of good people and bad people is beyond the scope of this article. It is enough to note here that these distinctions are important and have prompted substantial reflection. The relevant problem is that reflection on these questions and moral evaluation of economic arrangements cannot happen within an economics discipline that is limited to a materialistic vocabulary. It is not enough for philosophers and theologians to concern themselves with whether things are good and economists to concern themselves with productivity. Such a divide is inadequate given the limited ability of philosophers and theologians to master the specialized knowledge of the economics discipline and given the social status of economists as publicly recognized experts in crafting policy that influences human well-being—“well-being” measured almost entirely apart from the moral categories of philosophers and theologians.

Theology of Work

In recent years there has been rapid growth in scholarly attention to theological reflection on human work. In contrast to the materialistic emphasis of economic thinking, those who examine work from a theological lens offer a very different picture. The literature is often positioned as a response to a secular-sacred distinction that elevates sacred ministry and minimizes the importance of the work of laypersons. This has resulted in a popular devotional literature as well as a parallel body of scholarly work. The central animating concern is to argue that God calls humans to vocations that, while much broader than any particular job, normally include work. In particular, a number of scholars argue that God calls humans to engage in the creative production of goods and services as a part of their service to each other, as a contribution to the common good, and as a reflection of God’s continuing creative work. The literature is now expansive, but the main conclusions can be summarized in three points.

First, when properly oriented, human work is intrinsically as well as instrumentally good. Productive labor was a central part of God’s original call on humanity in the garden. While Christians have often conceived of God’s call in strictly spiritual terms, the purpose that God gives the first humans is to be stewards of other creatures and of creation. Moreover, the responsible provision of material goods and services is a central theme in Scripture and is tied to biblical concepts of justice, provision for those in need, and the establishment of the kingdom of God. The literature also emphasizes an eschatological importance for work. The end toward which humanity is moving is one that will include a redeemed and developed breadth of cultural artifacts and practices. Cosden
Steven McMullen/Todd P. Steen

and Volf, in particular, have developed the argument that human labor has an ontological dimension that is subject to redemption and is ultimately good. Volf notes that “through the Spirit, God is already working in history, using human actions to create provisional states of affairs that anticipate the new creation in a real way.” Overall, the literature clearly articulates a theological anthropology with a distinctive material dimension to human service as a central component of what it means to be human.

Second, the theology of work literature also takes seriously the fallen nature of human labor. A minority of scholars have argued that the cursed nature of human work is paramount, meaning that human work is ultimately oppressive. Most scholars, however, maintain that work has been created and is ultimately good, but it can be distorted in a number of ways. Work can be alienating, leaving people unable to express their gifts or calling. Human labor can be directed toward evil ends, as it is when people devote their time to fraud or violence. Alternatively, work can be idolized, displacing other important sources of good or other duties. It is also quite possible that, in the ordinary routine of a job, many workers are unable to immediately recognize the ultimate good in what they are doing. This can result from either a failure of perspective, or it can be a reflection of the fact that their particular work is not good. This reality motivates and challenges the theology of work literature.

Third, the literature recognizes that work can be a site of sanctification or virtue formation. While there is, rightly, significant emphasis on the good that human beings can accomplish for others in their daily work, work can also develop (or deform) the character of the worker. This is a natural implication of the observation that the Holy Spirit is at work, even in secular environments, and the importance of material work to our human calling. Just as God calls particular people with particular spiritual gifts to roles in the church, God also calls people to vocations outside the church, and the Spirit similarly empowers people with gifts for their vocation. This emphasis in the theological literature pushes the concept of calling, the formation of Christians, and the process of discipleship beyond the walls of the church.

Theological Ethics

This theological account of work makes human labor explicitly moral, not only in its ends but also as a process that is designed and enacted by persons. If the anthropology implicit in the economic framework is minimal, this theological anthropology quickly becomes expansive. As a result, a theology of work reorients and challenges some of the basic assumptions of the economic perspectives
regarding work and leisure. One common way to integrate these broad theological commitments with economic work, which we will adopt here, is to discern a set of ethical priorities. Theological ethics can then be implemented as a set of economic goals, or serve as a standard by which economic arrangements can be evaluated.

The move from ethics to economics, however, is fraught with challenges. We argue here that there is a minimalist ethic implicit in economic theory that should be supplanted with a richer theological ethic. Doing so will expand the kind of conversation that is possible about public policy and economic progress. While much more work could be done to apply this theology to business ethics and economic ethics, three broad principles can be established on the basis of our brief summary above. We will describe each in turn.

First, work should genuinely serve the good of others. The original call on humanity was to obey God, to be stewards of his creation, and to participate in God’s sustaining and creative work in the world. The direction of this call is clear: the goal of productive labor is to serve God and his creation. Work that does not meet the needs of the worker or improve the lives of others might still be productive in a technical sense, but it is an ethical failure. Spending effort in this kind of work has a high opportunity cost—the time and talent expended on this activity cannot be put to their proper use of service. Even worse, there are many examples of work that is legal but actively undermines the good of others. This theology gives a clear basis to condemn the production of addictive drugs, pornography, or other goods that, even if desired, work against the genuine good of the person being “served.”

Second, work should be designed to encourage the good of the worker. Even as the goods and services should be genuinely good, so should the work process. The knowledge that work is a formative process, in which humans are exercising a central calling from God, should motivate a scrutiny of the way people are asked to work. In particular, we should be concerned about two types of alienation, both of which limit workers’ opportunities to exercise responsible agency in their work. First, work can be designed so that individual workers have no creative input into the work that they are doing. Second, workers can be left with little room to make moral decisions in their work. In each case, an essentially human element of the worker is suppressed, which discourages the kind of intellectual and moral formation that should be part of work.

Finally, work ideally should align with the broader calling of the worker. While productive labor is part of God’s call, a person’s vocation is larger than their specialized economic role. Our vocation includes the roles we play in family, in church, and in civic life, all of which are important. It is very easy, however,
for work to overpower a person’s ability to be faithful in these other realms of calling. If workers are asked to work too many hours a week, there will be little time left for any kind of sustained commitments. Similarly, if full-time work is not compensated richly enough to minimally support any dependents, the worker will be unable to meet their calling to their family. It is thus essential that we keep the larger scope of calling in view, since it is easy to focus only on productive labor, forgetting other obligations.

It is worth noting that acknowledging these principles does not settle the questions about who is responsible for ensuring that they are realized. While it is often assumed that businesses should make work better, there may be obligations for workers who could give up material compensation to get some more nonpecuniary benefits. Similarly, other groups in the economy will also have an impact on bringing about the types of changes that the theology of work suggests. For example, it is helpful to consider the role of the consumer in helping workers discover their true vocation. If consumers are only concerned about low prices, where does that leave the worker? Low prices often come as a result of businesses reducing the freedom and sense of calling a worker has on the job. Consumers and workers (and every worker is also a consumer) need to understand that ethical improvement in the nature of how work is organized may sometimes result in higher prices for goods and services—although, thankfully, the reverse is also sometimes the case. Finally, both individual and institutional investors also need to be aware of the goals implied by the theology of work. Pursuing these goals may require investors to receive a lower rate of return than they would normally receive. While a business that actively supports workers’ full callings sometimes becomes more profitable by doing so, that should not be the only reason to undertake such policies.

These broad ethical goals are only a start, but they can serve to broaden the priorities that we bring to questions about human labor. While economic frameworks tend to focus on material goals, the theology of work gives us a vocabulary for distinguishing between good and bad production, for thinking about the character and gifts of workers, and for considering broader family and community implications. Perhaps most importantly, though, it entirely reframes the narrative regarding the essential goodness of work. While economic modeling assumes work is a cost to be avoided, this theology instead places work at the heart of our calling from God.

This difference can have a stark impact on how we envision economic progress. A flourishing economy will not be one that encourages people to isolate themselves in self-indulgent consumption. Instead, it will be one in which people
have opportunities to live fully into their calling from God in work, family, church, and civic life.

This embrace of theological ethics does not imply that traditional economic analysis needs to be rejected. Economic analysis performs very useful functions, such as identifying the opportunity costs in a variety of situations, even if the costs identified are generally just the material ones. Moreover, it is important to remember that some of the actions taken in response to these ethical norms could have substantial material costs and that there are possible trade-offs among different goals.

Policy

In order to illustrate the value of a theologically informed economics, we will briefly sketch some ways in which economic policy arguments can be enhanced by thinking theologically. We will illustrate with three examples.

An initial area of economic policy where this theological approach provides significant insight is in the measure of economic progress. The theology of work provides the framework for a broad critique of economic goals. Since the time of Keynes, gross domestic product (GDP) and its growth have served as a primary measure of economic progress. GDP, however, does not distinguish in any way between good and bad production, nor does it necessarily increase when more workers are employed or are fulfilling their calling. For example, one worker earning two hundred thousand dollars per year would have approximately the same impact on GDP as four workers making fifty thousand dollars a year. In addition, one worker earning fifty thousand a year on a tightly controlled assembly line has the same effect on GDP as an employee who utilizes all their creative gifts at work while earning the same salary. Similarly, the work of an employee who produces fifty thousand dollars of vegetables is valued equally in GDP as that of a worker who produces fifty thousand dollars of cigarettes. Work that degrades the environment is valued the same as work that sustains and supports it.

Some economists have understood these issues and have developed alternative measures of economic progress that are more broadly based, but these measures have not gained much traction in discussions concerning policy decisions nor in the media. Theological ethics lends additional support to the notion that economic flourishing must include much more than just the sum of spending on domestically produced goods and services, whether or not this actually makes consumers and workers better off. If work in our society increasingly serves the good of others, promotes the good of the worker, and supports the broader calling of the worker, our measures of economic progress should reflect this development.
If work does not achieve these goals, we shouldn’t assume our economy is prospering simply because GDP is growing.

A second example is a controversial cluster of economic changes—technological advances, minimum-wage laws, and freer trade—that result in a tradeoff between lower employment and higher wages. As our technologies change at an ever-increasing pace, some skilled workers experience higher demand and higher wages. At the same time, lower-skilled workers can face fewer job opportunities and diminished wages. Similarly, as minimum wages increase, the most employable lower-skilled workers experience increased welfare with higher wages, while the most disadvantaged find it even more difficult to obtain employment. Freer and increased trade between regions can have similar effects, with higher wages and more jobs in some industries and lower prices and increased unemployment in others.

In purely economic terms, this tradeoff can be resolved: we can compensate those who lose their jobs by providing social insurance programs that limit the negative material impact of unemployment. This, however, only solves part of the problem. A safety net can address the material needs of an unemployed person, but cannot provide opportunities for them to pursue their calling. Economic research also suggests that increased time out of the labor force leads to increased difficulty finding employment in the future, so our policy choices now also have a substantial impact on the future.

The ethics implied by a robust theology of work make our calculations in this area even more complex—we have reason to support higher minimum wages and investment in technology and trade, but we also have strong reasons for thinking carefully about those left out of the labor market as a result. The theology of work may not help us to easily navigate the tradeoffs from decisions that promote the good of some workers and support their broader callings while leaving other workers in a weaker situation. At minimum, the creation of genuinely good economic opportunities for those facing the most labor market risk becomes a high priority.

A more stark contrast arises when we examine proposals for a universal basic income. Policy proposals differ, but most would provide all adults with an income from the state that is not tied to any labor market participation or need. Many see a universal basic income as a way to significantly decrease material poverty. Such a policy would eliminate some of the work disincentives from means-tested poverty relief, while creating some new work disincentives for those already working. A universal basic income might also decrease labor market risk, which could increase creativity and entrepreneurship in the economy for some
workers. For others, as their income is partially secured, it may result in less of a push toward self-employment.

The idea of a universal basic income makes more sense in a strictly materialistic framework in which work is an evil to be avoided. It separates work from material livelihood so that the economy is no longer characterized by mutual necessity, except at the very broadest level. If productive work is an intrinsic good and an important source of moral formation, however, then moving toward a work-optional society is not a step in the right direction. The theology of work literature affirms that employment can help develop the character of workers while also allowing them to promote the common good. Overall, then, we need more work rather than less.

Many supporters of a universal basic income see increased leisure time as a major reason to institute such a policy. However, much of our leisure time is self- and consumption-oriented, while work is generally more other- and service-oriented. While some people do work too much, others do not work enough, and still others lack access to work. More leisure is not an unambiguous, universal good. Leisure can certainly be reformed and sanctified, but in light of declining labor-force participation rates, increasing the amount of leisure is not, in our judgment, an important goal for economic policy.

Conclusion

Economic models provide a useful framework for understanding behavior and predicting market movements. However, prevailing models do not provide a complete enough picture of human work to guide discernment and policy. Work is often reduced to merely a cost, and little distinction is made between types of work. A theology of work complements economic models by articulating a purpose and role for work. Economists can be helpful in exposing the tradeoffs between alternative policies, while theologians can help remind us of the intrinsic worth of meaningful work and the substantial cost of not having access to it. Theologians and economists will all benefit, and policies can improve, when a thoughtful theology of work informs economic analysis.
Notes

1. This section gives a narrative overview of a labor supply and labor demand model. More detail and nuance can be found in accessible form in one of the standard labor economics texts, such as George Borjas, *Labor Economics*, 6th ed. (New York: McGraw-Hill, 2013), chaps. 2 and 3.

2. An example of this approach can be found in Borjas, *Labor Economics*, 21: “This chapter develops the framework that economists use to study labor supply decisions. In this framework, individuals seek to maximize their well-being by consuming goods (such as fancy cars and nice homes) and leisure. Goods have to be purchased in the marketplace. Because most of us are not independently wealthy, we must work in order to earn the cash required to buy the desired goods.”


13. Volf, Work in the Spirit, 100. The particular eschatology favored by these authors is often contested, but the broader implications of the literature do not depend wholly on the transformationalist leaning of these authors.


18. Economists typically embrace a scientific approach that includes a strong separation between “positive” and “normative” questions. Moreover, the normative approaches to economics are often highly contested. For more on this, see Andrew Yuengert, The


