condition for the wealth of the rich. Although parts of this account ring all too true, it is certainly incomplete. It leaves out any recognition of human capital (the most important income-producing asset) and ignores the role of government in making it nearly impossible for the poor in the developing world to get legal standing for their assets.

Charles Clark, in a set of two essays meant to anchor the volume, analyzes the nature of wealth in economic theory and in theology and finds the former wanting. Clark asserts that economists do not really know what wealth is or how to measure it properly. This is a big claim, and Clark needs to draw on his expertise in economic history to make the claim clear and to help us to answer a host of questions raised by it. What practical use are we to make of the imperfect measures of wealth available to us? How can we know that wealth is unequally distributed if we have no good measures? Is income a better indicator of wealth, or should we make use of direct measures? Given the magnitude of the claim and the importance of the definition of wealth to the volume's purpose, much more needs to be said.

Because all wealth is supposed to serve the common good, the lack of an essay on what the common good is and how wealth can serve it is crucial. Unfortunately, the topic is addressed only tangentially in Helen Alford's essay on the common good and public goods. In this essay, Alford attempts to compare the economic concept of public good (a good that is nonrival and nonexcludable) to the concept of the common good and at the same time to argue that a more equitable global wealth distribution is a global common good. This is too much to attempt in one short chapter, and so the concepts it addresses are too hastily introduced and analyzed.

The task of editing a volume of essays is extremely difficult. The editors have done us all a service by selecting excellent essays, which together uncover the rich tradition of Catholic teaching on the meaning of wealth and its purposes. The volume's shortcomings, outlined above, should not detract from the value of the individual essays. This volume belongs on the shelf of anyone interested in wealth creation and distribution.

—Andrew Yuengert
Pepperdine University, Malibu, California

The Moral Ecology of Markets: Assessing Claims About Markets and Justice

Daniel K. Finn

Cambridge, United Kingdom: Cambridge University Press, 2006 (169 pages)

Daniel Finn is concerned with the interface of economics and morality. In particular, he believes that the major bulwark of markets, the voluntary pursuit of self-interest, must be constrained by moral boundaries, or society will suffer. Free markets cannot function productively for society in the absence of limits. These limits are both institutional (e.g., the system of law) and personal (e.g., the moral values of individuals and groups). Unlike Douglas Vickers (*Economics and Ethics*), Finn does not try to assert that positive (value-free) economics is improbable. Rather, his argument is that despite all the benefits of self-interest and markets, they are morally indefensible. Finn believes that the application of a moral ecology of markets will allow us to enjoy both the fruits of free markets and just outcomes.

Over time, powerful business interests and libertarians have long resisted restrictions to markets. Nevertheless, Western societies have enacted everything from child labor laws to workers' compensation and occupational-hazard standards. There are still gray areas where consensus has not been reached, such as the selling of sex and body parts, and the exact social responsibility of business. In the real world, however, markets are not allowed to operate unconstrained.

Finn has identified four areas of morality that when properly defined, structured, and applied make the operation of self-interest in markets ethically respectable. These elements of moral ecology include: (1) government imposed constraints (to prevent market abuses); (2) the provision of essential goods and services to all persons (to redress distributional shortcomings of the market); (3) the morality of individuals and groups (to restrain individual pursuit of self-interest by virtue); and (4) the presence of civil society (voluntary associations of individuals to achieve common goals).

The set of elements is not meant to be exhaustive but to demonstrate that fences (constraints) are necessary to render the outcome of markets just. The appropriate focus of the policy discussion then is not over the merits of capitalism or socialism but where and how to place fences on various markets. How much government intervention in markets is optimal? What constitutes an appropriate (acceptable) bundle of essential goods and services? What is the moral minimum of human morality below which markets cannot function efficiently? What are the ways that a well-functioning civil society ameliorates the denigration of community wrought by pursuit of individual self-interest in markets?

Finn begins his essay by taking to task three Nobel laureates (Friedman, Buchanan, and Hayek) for presenting amoral defenses of voluntary self-interest and markets. This seems a little high-handed. The body of work of each of these brilliant economists is enormous, yet incompletely surveyed by Finn. In the case of Friedman, for example, Finn examines just two books out of more than a dozen. He does cite five out of more than a dozen Buchanan books, but only one refereed journal article out of more than 160 and no book contributions out of more than 150 that Buchanan authored. He fails to cite Hayek's *The Constitution of Liberty*. Finn's conclusion that "the attempts by Friedman, Buchanan and Hayek to defend markets without recourse to moral arguments are unsuccessful" is to me an overstatement. I understand the point but believe this portion of the book should either have been exhaustively researched or omitted.

Next, in chapter 3, Finn reviews the standard arguments in favor of free markets. Free markets, for instance, encourage invention and technological change, give people what they deserve, reduce discrimination, and encourage political freedom and democracy. This is followed in chapter 4 by a rich discussion of the ways in which the exercise of self-interest in markets result in moral failure. Markets, for example, generate significant inequalities in income and wealth, denigrate the environment, and encourage greed. Finn points out that success in markets is not always a function of values such as hard work—many people work very hard and fail. People participating in markets do not always get what they deserve. Moreover, morally objectionable outcomes of markets (e.g., pornography) cannot be solely blamed on culture. Markets do provide a venue through which parties can prey upon and benefit financially from the exploitation of the moral weaknesses of others.

In chapter 5, Finn goes off on a bit of a rabbit trail, providing his substitute for the standard economic questions of: what, how, and how much. He proposes that the four problems of economic life are allocation, distribution, scale, and quality of relations. While his discussion is not essential to the flow of the book's argument, it is very engaging and thoroughly examined. The matrix that describes the characteristics of the four problems and the two identity matrices used to demonstrate associated costs and benefits are worthy of a book unto themselves. Mindless approaches to the problem of distribution, for example, run the risk of straining the quality of relations by eroding individuality, families, customs, and values. Improved allocation of resources increases wealth and thereby facilitates redistribution. This chapter is a gem.

Finn returns to the task at hand in chapter 6 where he considers whether markets are just. For anyone who is overwhelmed by the semantics, Finn makes the scope of the issue clear by using the technique of parables. By not purchasing two dented cans of green beans in the grocery store you leave later customers (neighbors) with less choice. However, you also send a signal to the stockperson, the wholesaler, and even the cannery to take more care in handling and production. Alternatively, purchasing a rug made by children who work in conditions of slavery because the price is lower encourages the further abusive use of child labor by factories. In the first case, acting out of self-interest encourages efficiency and may protect others from food poisoning. In the second case, acting out of self-interest is morally wrong. "The economic defense of self-interest in markets," concludes Finn, "is conditional, not absolute." The freedom of individuals and firms within markets cannot be unbounded if justice is to prevail.

Finn presents the four elements of his market ecology in chapter 7 and briefly concludes in chapter 8. There is no question that the economic pursuit of self-interest must be subject to constraints. Finn believes that his four problems and his four-part moral ecology of markets provide the forum for discussion of issues of constraints, amelioration, and justice in markets.

My most notable complaint about Finn's presentation is with regard to the overuse of straw men. For example, Bernard Mandeville is not representative of market economists and certainly should not be lumped with Hayek and the other Nobel laureates. The arrival of Wal-Mart in Argentina does not render small businesses powerless; rather it forces them to be more competitive and efficient (while decreasing prices for lower-income consumers—Wal-Mart's target market in Latin America). Income inequality is only a bad thing when there is not mobility in the income distribution over time. Finally, market proponents are way beyond pointing to the failures of communism as evidence and currently tout the double-digit unemployment and lack of economic growth in the socialist states of Europe.

I agree with Finn that pursuit of self-interest in markets must be constrained by the moral frameworks established by government, institutions, individuals, and groups. Adam Smith agreed as well. That is why *The Theory of Moral Sentiments* was published before *The Wealth of Nations*. (For a fine discussion of this, see Jeffrey Young's *Economics as a Moral Science: The Political Economy of Adam Smith*.) In summary, Finn's observation is neither original nor new. The issue for the reader to decide is whether Finn's four problems and moral ecology provide frameworks that facilitate the debate over justice in markets and ultimately its progress.

—John E. Stapleford
Eastern University, Philadelphia, Pennsylvania

Economic Compulsion and Christian Ethics

Albino Barrera, O.P.

New York: Cambridge University Press, 2005 (248 pages)

The most pervasive moral accusation against markets is that even though the two parties to an exchange improve their situations, the cumulative effect of such exchanges is too often destructive of the economic security of other people. These unintended third-party effects—*negative externalities* in the jargon of economics—are particularly harsh for the poor.

Economists have called for public policy solutions for negative *technical* externalities, such as health problems caused by smokestack pollution. However, negative *pecuniary* externalities—the focus of this book—are the motor of change in the price system. Unhappy circumstances caused by changes in prices and opportunities are the signal that we should alter our behavior—something needed to bring about an efficient allocation of resources to their most highly valued use.

Albino Barrera argues that pecuniary externalities at times cause economic compulsion (though not coercion) and that if such compulsion is serious enough in the lives of some, the rest of us have an obligation to assist. The goal of his book is to describe why we have this obligation and under what circumstances we are obliged to offer assistance.

Barrera begins with the common-sense insight expressed by Aristotle that the decision by the captain of a storm-tossed ship to throw overboard the ship's cargo to save the lives of himself and his crew is not helpfully called a *free* choice. The captain's action is done willingly, but, in a very important sense, this also occurs against his will. While not *coerced* by the storm, he is certainly *compelled* by circumstances in the sense that he does something no reasonable person would do in normal circumstances. Of course, anyone who has purchased an airline ticket online a day after prices have risen