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"Christian" Economics

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This article assesses the relevance of the Christian faith for economics. It argues that faith in the Trinity provides the basic pattern for the market system—a system that puts radically different and independent agents into a positive and fruitful relationship. As a result of being patterned throughout his life on the trinitarian model, the Christian economic agent is more capable of developing exchanges, of allocating resources efficiently, and thereby fostering growth than the solipsistic *homo economicus* of conventional theory. The Christian message brings to humanity the anthropological characteristics that are required to overcome the game-theoretic deficiencies that prevent economic agents from fully developing public goods, which the market system needs to function. It is, of course, obvious that the market system is an imperfect, human reflection of the trinitarian pattern and must be perfected through history.

Introduction

Throughout the ages, the Christian attitude toward economics has been ambiguous. Faith in creation and in the dominion of man over the earth has prompted Christianity to break with Stoic resignation and to engage in productive creativity and action. The notion that sinful man has to earn his bread by the sweat of his brow has also legitimized work. The vision of a hard-working humanity was particularly useful in traditional and feudal societies, which needed to break with traditional work habits but in which, economic choice and change could still be governed by tradition and authority. In these extremely poor and underdeveloped societies it was also important to maintain a minimum of justice and charity to safeguard social cohesion. Under these conditions, the connection between good work and the accumulation of productive assets and, consequently, of wealth could be overlooked. This made it easier for Christianity to reconcile creative work with the pursuit of the ideal of poverty. As a result, Christians could pursue a successful business life and engage in social work and in political organization while never confronting directly the specific problem raised by economics; namely, the rational allocation of resources with the aim of minimizing scarcity by maximizing wealth.

The development of the modern market system in Holland and Great Britain in the seventeenth and eighteenth centuries led eventually to the realization that the solution to the economic problem was intrinsically connected with specialization and economies of scale, and that these could only be reached through the market system. Economics as a new way to view and improve the human condition was born. The fundamental characteristics of this new worldview—the division of labor, rationality, and decentralized decision-making—were not in contradiction with the Christian faith but the way in which the new market system was introduced into Western society made it unacceptable to many churches. Sociologically, especially in Europe, the churches were primarily linked to the precapitalist classes of society and to royalty, which were naturally imbued with the view of an "ordered" production system. The churches, thus, almost naturally fell back on the social doctrines elaborated during an idealized Middle Age to condemn the horrors of industrialization and modernization. As a result, Christians increasingly specialized in social justice. In the German-speaking areas they contributed, however, to the elaboration of an associative view of enterprise and social organization, which led to the emergence of "Rhenish capitalism," but theology nowhere contributed to basic economic theory, that is, to the disciplined search for rational resource allocation in human society.

This article is based on the conviction that the development of theology in the twentieth century enables Christianity to break with this past. It argues that there is a strong link between the logic of the Christian message and that of the market system. This logic can be used as a fundamental criticism of, and remedy to, conventional economics. Christians indeed believe that:

1. Human beings are recreated in the image of God, as persons who are radically different from each other and essentially engaged in a positive exchange process. Their differences are subsumed in a higher unity, in which personal identities are never confused or eliminated. The creativity and dynamism, which are often associated with Christianity, stem from this basic reality.

2. Human beings do not, of course, reach the perfection of difference in the context of loving unity that is exemplified in the Trinity. They do, however, endeavor to transpose or incarnate the trinitarian icon through their lives and history into their being and institutions. Human history is thus a history of "growth into perfection." The market system and economic progress are an approximation of that growth and also an indispensable means to achieving it, since human beings have been created as animals in need of resource allocation and of minimizing scarcity and not as quasi-angels who pursue pure interpersonal relations in the abstract.

The difference between the trinitarian logic and the holistic construct of the deistic system becomes apparent when the market system and its growth incentives are contrasted with traditional economies and central planning, their poorly motivated "implementers of rules" and their stationary features. The trinitarian logic (of the different but positively interacting agents) can also be opposed to the conventional market paradigm based on exclusively antagonistic, individualistic maximizers capable of maximizing their solipsistic objectives but incapable of developing further the exchange system they use. These individuals reflect Enlightenment deism, which construed each human being as an isolated god to himself. The uneasy balance between deism and Christianity in the eighteenth century, when modern economics was developed, is reflected in the contradictions of modern economics. Basic economic theory oscillates between reliance on the invisible hand, which, according to standard market theory, ensures coordination, and the realization in game theory that individual motivation prevents this coordination from being achieved. However, this raises two related and important methodological points.

First, the argument of this article is based on the view that the ethos of a society, which reflects its vision of man, shapes the economic motivation and conduct of the members of this society. Fundamental theology provides a logical pattern for basic economic theory, which makes it possible to compare two logical patterns: that of the market system and that of basic theology. In a pagan society, it is ideology that determines the ethos of economic and social life.

Second, this article can be viewed as a further development of the Weberian tradition. It generalizes Max Weber's approach in assuming that religion provides the intellectual tools with which a society perceives its economic problems. It does not imply that economic infrastructure and power constellations have no effect on the social elaboration of these tools; that is, on the choice of the religion. It argues that Christianity has revolutionized the antieconomic and stagnant religions of antiquity and traditional societies, and thus has been a factor in secularization, individualization, and growth. It finally takes a broader view of the Christian message than did Max Weber, who concentrated on Anglo-Saxon Puritanism in the seventeenth and eighteenth centuries. This article emphasizes that "all this" is not only a matter of theory but also of life: The advent of the "new man" remedies the deficiencies of the "old man."[1]

This article is divided into three sections. Section 1 describes the structure of the Christian faith and its effect on economics by opposing it to the influence of a theological monism. Section 2 attempts to demonstrate to economists that their paradigm is incoherent as conventional theory uses a deficient concept of man, and that economic theory needs to be based on a trinitarian economic agent to be consistent and to sustain a truly efficient economic order.[2] Finally, section 3 concludes by assessing the effect of a Christian economic theory on economic policy and theology.

The Effect of Christian Theology on Western Growth: The Invention of the Person

The Innovation of the Trinitarian Society and History

Historians generally agree that the Christian message introduced the concept of the person into pagan antiquity. The central Christian notion is that the essential feature of life and society can be best understood as an intimate relationship between the three distinct and dynamic persons of the Trinity who are intimately and essentially related. This fundamental belief epitomizes the change that the Christian message brought to the pagan world, which was keyed to the notion of the one, immutable God who underpinned the functioning of a hierarchical society, embodied in the divine Pharaoh or Emperor.[3] Jesus taught Christians to be persons, different from the "whole," and independent, responsible, loving, members of a community.[4]

Next to the belief in the trinitarian structure of society, the Christian message proclaims that, under the leadership of the risen Christ, humanity moves out of the old Egyptian slavery into the New World. (This is the Easter mystery of the Paschal Exodus.) The second core of Christian beliefs—the dogmas of Resurrection and Incarnation—thus injected into the Stoic ideal of a changeless and motionless world, subject to the law of eternal return, the dynamics of the history of salvation. The primary responsibility of the Christian in following Jesus, the new Moses, is to co-create the New World and thus to build the New Jerusalem. This activist view clashed with the Platonic theory that events are the logically necessary "emanations of the One" (or, in modern jargon, the result of "social forces"). In antiquity, economic destiny was thus the just and sacred consequence of a centrally planned static will and beyond the mastery of humanity. The best humans could do was to read the horoscope.

Christianity thus introduced two revolutionary changes into the pagan world. First, it proposed a positive interrelationship of radically autonomous beings (persons), which is the key feature of the market system. Second, it conceived of dynamic agents who were to work at the project of making a new world, which is the main factor of economic growth (underlying conditions permitting). These two basic Christian beliefs are fused into the fundamental view that the progressive march toward the heavenly Jerusalem is the construction of the trinitarian society, here and now. The Christian message thus laid the foundations of a creative, progressive, personalist community and of the concept of growth in history.[5]

The difficulty of transition in the former Communist economies illustrates how the market system relies on personal responsibility and initiative, and on the capacity to build contractual rather than bureaucratic (socialist-holistic) links.

The historic triumph of Christianity secured the notion of the person in Western thought, but even this piece of intellectual social capital can be eroded, as was illustrated by the recent episode of *structuralisme* during which, French intellectuals celebrated the "disappearance of the person." The failure of central planning and statist industrial policies have obscured the fact that they also relied on the negation of the person as decision maker and risk taker. The "triumph" of the Western (Christian) concept of the person appears, thus, to be much less anchored in social structures than in the history of ideas.

More Fuel from Christian Life for Economic Activity

The Christian life is complex. The concepts (or dogmas) of Christianity remain meaningless if they are not translated into behavior, but moral efforts wither away if they are not rooted in "liturgy" (during which the Easter event is reexperienced in the Eucharist). In addition to the dogmas of the Trinity and the Resurrection, other features of the Christian message are essential to the growth of the market system and economics.

The first is the realization that the purpose of the Christian life is for each layman—and each community—to invent in daily life the practical features of applying the Christian message to current activities. By its nature, the aim of Christianity is to teach man to conduct a fulfilled secular life; "religious" activities are merely technical input into this "better life."[6] Human endeavors—economics or art or politics—are, per se, "God pleasing" and must be explored in keeping with their own secular logic. Thus, while natural men (nonbelievers) endeavor to maximize or to fall back into Stoic satisfaction once they become rich, Christians involve themselves in secular activity because rational maximizing is an exercise in the God-pleasing sovereignty of redeemed humanity. The Christian message legitimizes and, as it were, fuels the natural human concern with "worldly" activities. It is widely recognized that Christianity has been a major force in the desacralization and secularization of Western societies.[7] Christian dynamic worldliness is thus radically different from Stoic, Buddhist, and other forms of religious detachment.[8]

Here it must be added that the belief in the intrinsic goodness of creation pushes Christians to engage in all activities.[9] The notion that there are higher cultural and idealistic goods and lower manual activities originated in the neopagan thinking of the Renaissance and among the (self-proclaimed "decadent") late-nineteenth-century elite. The business orientation and the broad scope of "culture" of the largely Christianized American Founding Fathers stands in marked contrast to those of the deeply de-Christianized Parisian elite before the French Revolution.

Second, a deeper commitment to the Christian message arises through the lifelong twin activities of being involved in "worldly life" and "listening to the Spirit." For the making of society and the market system, the ethos of conversion combines faithfulness to the principles of relationship between persons (the trinitarian dogma) with the freedom of rational inventiveness as to the means by which these principles will be understood and applied. The Christian is prophetically committed to reform because he or she is convinced of the intrinsic goodness and desirability of the "real" world of economic activity.

The need for continued conversion to essentials provides a symbolic matrix for the management of the market system. First, the belief that Christian faith only slowly permeates human society finds its equivalent in the notion that markets change gradually as decentralized economic agents become aware of opportunities. These views of gradual change are incompatible with sudden, centrally preordained, rationalistic, revolutionary changes. Second, the combination of fidelity to the principles with the freedom of invention in their application is similar to the view that the market system as such cannot be overcome or abolished but that it is permanently in need of improvements. *Ecclesia semper reformanda.*

The Trinitarian Model of the Market System

State of the Question: Failure of the Rationalistic Individual to Produce Markets

Economics is a system in which human beings exchange to reduce scarcity. The basic problem with the contemporary economic paradigm is the fact that it is internally contradictory. Theory (as "pure economics") explains well, on the one hand, why and how humans are moved by the profit motive to use existing markets to achieve their individualistic aims and how this "egoistic" pursuit results in the common good of feasible plenty. Theory (as game theory) finds it difficult to explain, on the other hand, how individualistic interest should prompt people to create the exchange system itself. Neoclassical theory is thus confronted with a basic inconsistency, which will be addressed below.

My discussion of this issue can be said to follow existing paths to the extent that it uses well-known material, but the way this material is put together is somewhat unique. I take it that neoclassical theory is basic economic theory that includes two distinct parts: pure theory, which demonstrates how competition between economic agents achieves an optimum on existing markets; and game theory, which investigates how the market system emerges. Both subtheories are based on the paradigmatic assumption of individualistic rationality, but the conclusions of the former are well-advertised while those of the latter are not so well-known.

I also believe that the basic contradictions of the economic paradigm reflect acutely the crisis of modern rationality—or even of modernity—that is discussed by intellectuals, namely, how can individual sovereignty be reconciled with social life and objective values? However, economics has the great advantage of treating these questions in a concrete and stringent format: Humans must exchange goods to reach economies of scale and they must determine what is to be produced. Thus, individual decision-making and values on the one hand, and social optimum on the other, must be clearly connected. It is the great intellectual performance of basic economic theory to explore a formal solution to this problem. Philosophy can learn a great deal from economics.

The Limits of "Pure Economics"

Originally, economics was defined as an activity aimed at reducing scarcity through the division of labor and economies of scale. Economics was thus seen as a quintessentially social and "material" activity.[10] This definition has the twofold disadvantage of introducing social norms and considerations into a paradigm whose basis is quintessentially individualistic, and of using the notion of material, which relates economics to "real world" conditions. During the last fifty years, economics has, therefore, been increasingly redefined as the study of *any* activity that aims to achieve a maximum of objectives with a minimum of means. Economics has thus been made synonymous with formal rationality.

This new definition has the advantage of locating the maximization calculus exclusively within the individual maximizer apart from other humans; it is also highly "idealistic" in assuming rationality without physical confusion. Each human being is a sovereign island and there is no human interdependence and no need for interhuman values, but the redefinition has been achieved at a great cost. Economic rationality is now unrelated to the basic economic reality of economies of scale and of a limited material world out of which humanity is pulled by its collective exchange effort. Economic optimum is, thus, radically divorced from growth.

These refinements of theory make it easier or "logical" to assume that maximization takes place within a preconstituted exchange system and between a mass of atomistic individuals. This allows individuals to remain unconcerned with other people's reactions to what they do. It is under these conditions that economic theory describes a rational maximization process that inevitably leads "self-centered islands" to necessarily reach social optimum while solipsistically pursuing "happiness." (Economic efficiency is thus defined as the congruence of social optimum and individualistic rationality, given the underlying definitions of man; this logical result is crucial since efficiency is the hallmark of economics, which aims at minimizing scarcity.)

It must be realized that the purpose of this enormous analytic construction is to arrive at this result (the socioindividualistic definition of efficiency), but also that the demonstration depends on the prior existence of the market system whose origin the theory cannot well explain (as game theory shows). It must also be realized that the alleged superiority of the market system over other systems is exclusively based on this flawed theoretic construction. Pure economics, which is the economic corpus that studies maximization under these assumptions, constitutes the basic training ground for economists and plays a similar role in economics and business administration as fundamental theology does in systematic and pastoral theology.

It must be added here that this theoretic construction is a great achievement of humanity that Christians should not disparage. On the basis of many abstractions, which enable economists to concentrate on human motivations alone (apart from the "technicalities" of particular situations), it shows that scarcity is ultimately reduced by exchanges and only by exchanges among human beings. It also shows that the exchange mechanism, through the medium of competition, eliminates the excesses that stem from greed and ultimately equates the marginal pleasure or utility of the consumer with the marginal pain suffered by the producer. In economics, nothing is material and everything is ultimately interhuman or social. Far from being a materialistic mechanism, this construction is the most elaborate value construction of modernity. Moral criticisms of economics are, therefore, misplaced.[11] It is, however, possible (and useful to economics) to show that the dream of pure economics is impossible to implement as long as the economic agent is not a new creature in Christ.

Game Theory and the Problems of Market-Making

Game theory introduces the more realistic assumption that the rational individuals of theory react to the action of others and that each of them interacts egoistically (and, consequently, antagonistically) with other individuals. In principle, game theory concludes that the interacting individuals and groups cannot produce the collective good of social organization because of the inherent antagonism in the pursuit of egoistic objectives postulated by economic rationality. Above all, the game-theoretic investigation cannot resiliently approximate the structure of a market system that yields the optimal results postulated by pure economics.[12]

It is true, however, that repeated games lead to *de facto* cooperation, which result in improved exchange structures. This means that games played over a long period and under unchanging conditions enable the players to set up quasimarket rules while pursuing constrained, individualistic maximization strategies. Such games approximate conditions that are comparable to the Kantian imperative: The players realize that abiding with a rule of fair conduct is more profitable than aggressive maximization.[13] Such “cooperative” games should therefore be called *extraconstrained games* (rather than cooperative games) as the players agree to subject their maximization to various moral and customary rules that are added to technical constraints inherent in the market system. Thus, Kant triumphs while Nietzsche is chained and restive: The “cooperative” players obey the rules but are frustrated in the attempt to maximize their desires in keeping with their nature. It is because of this state of affairs that cooperative conduct lasts as long as the conditions persist under which the rules were elaborated. When the conditions change, oligopolistic fights resume until new rules have been imposed by *Realpolitik*.

One difficulty of such cooperative games is that there is no agency to enforce the rules. Games show that players do penalize uncooperative players, but this is insufficient to police all rules. This is true, additionally, because the rational profit maximizer of theory should not engage in the making of any social system since the personal costs involved in making this system are vastly larger than the private benefit that he or she would accrue from making a new system. The economic agent is better off playing the free rider and letting the common good decay, even as all engage in the “cooperation” described above. It takes a hegemon, therefore, to impose the systemic collective goods. This hegemon benefits personally (or as a social group) so much so from the existence of a working society that he or she has an egoistic (rational) interest to expend the effort to create the new systemic order. The hegemon is also so powerful that his or her antagonists may well have an interest in colluding with him or her. A hegemonic power is thus needed to overcome the antagonistic and profit-maximizing features of game theory in order to create a stable system within which, the self-centered agent can play reliable games. All benefit, as free riders, from the profit-maximizing conduct of the hegemon.

In international politics, the hegemonic solution is illustrated by the events after 1918 and 1945. In 1918, no power was sufficiently strong to impose its own benefit as a system. In 1945, the U.S. was sufficiently strong (and sufficiently enlightened by the disaster of 1918) to engage in the Marshall Plan and in the creation of the Atlantic System. The U.S. was moved by its own ideals (which were a mix of Christianity and liberalism) to set up an open and evolving system. Russia was blinded by its own interest and by its ignorance into creating a hierarchical system. The French could simultaneously benefit from the North Atlantic system and complain about American imperialism.

However, as this example suggests, the hegemonic system is unstable as the power of the hegemon erodes or can be abused, causing rebellions. This is due to the fact that the hegemonic system violates the principle of competition upon which the logic of the market system is built and which is necessary to reach the systemic optimum described by pure economics. This shows that the hegemonic solution is only one of the suboptimal solutions generated by the game-theoretic deficiencies of logical individualism. The hegemonic system is neither stable nor optimal (in terms of efficiency).[14]

Economic historians also show how the framework of market exchanges was exogenously supplied to the individualistic market agents by some historical accident, frequently a conquest, which Marx theorized as "original accumulation." But this does not solve the theoretical puzzle or logical contradiction of the modern paradigm. To the contrary, as soon as one argues that the market needs exogenously supplied frameworks, one recognizes the logical incoherence or insufficiency of the basic economic paradigm. This is serious, because those who argue in this way rely on what in their own logical framework is historical irrationality.[15]

How the Christian Message Remedies the Deficiencies of Homo Economicus

The results of game theory and the observation of the contemporary scene lead to the conclusion that individualistic, rational economic agents find it excessively difficult to generate a workable market system, not to mention the optimal system required by pure theory. This applies even to the more complex economic agents endowed with Kantian rules. This is because the rational maximizer of theory is exclusively self-centered, which prevents him from producing a robust social system. This logical and practical failure gives rise to other social forces that aim at setting up more or less holistic value systems—such as the Rousseauian centralized nation-state—in reaction to its individualistic logic. The culprit is the individualistic construct of modernity, which worsens rather than improves the motivation structure of actual human beings.

The trinitarian core of the Christian faith is a potent remedy to these tendencies. It simultaneously (1) establishes an image, a theory, of a socio-individualistic function that is to be internalized by each Christian; (2) mobilizes a series of (sacramental) actions, impregnating the Christian with these "values" throughout his life; and (3) influences the life of nonbelievers who live in "Christendom." (As shown in section 1, the aim of the Christian faith is gradually to remold each human person and each human community into new trinitarian beings.) The Christian message thus provides the ingredients that are required for the market system to work: the self-centered maximizer who knows he is responsible for his life and his welfare, and the exchange-maximizer who knows that he is essentially and positively linked to the co-contractants. Each Christian is responsible for living the tension between these two objectives; one's personal growth is linked to the management of this tension. Analytically, economists should say that indifference curves are partly interdependent.[16]

Furthermore, the Christian knows that the task of managing the tension is the "project" or objective of his life. He does not deny the basic view that "rational man" tends to be an egoistic maximizer with a limited sense of altruism and social consciousness. To the contrary, the Christian message recognizes that the human maximizer is limited and provides him or her with the means to go beyond his or her (sinful) limitations.[17] The Christian message makes humans realize that the pleasures of social action and longer-term objectives are superior to immediate benefits. Specifically, and as described in section 1:

- The trinitarian model provides the ideal of unity in diversity, of simultaneous personal (or individual) maximization, and of community cooperation.
- The central Christian act of the Eucharist is a weekly experience in community. Christians are united with each other and with their Lord, but they remain themselves. There is no fusion. In economic terms, the Eucharist could even be seen as the matrix of enterprise and the economies of scale. In the Eucharist, exchange among cooperators "produces" more than what each brings to the community.
- The view that the dialogue in each Christian (and in Christian society) of faith and unfaith will be endless, leads the Christian to realize that the conventional economic model of egoistic maximizing will eternally coexist with the need to criticize its basic assumption. This describes for the Christian his or her enduring vocation in the economic system.

The Implication of the Christian Remedy

The Christian message works at the level of the economic agent himself. The Christian views himself as a deficient maximizer in need of gaining a superior other-directed rationality through personal conversion. The reform comes from inside the person and inside the group and works itself out gradually. There are no statist miracle cures. We are back in the market system, which is made to work in keeping with its own logic, but is now animated by Christian supermaximizers.

This illustrates the great difference between the *homo economicus solipsisticus* and the *homo economicus Christianus*. The individualistic economic agent of theory grudgingly accepts the need to subject his maximization to rules and restraints to earn a reputation. He will tolerate interference with his objectives as long as he has to and with a certain amount of frustration. The Christian economic agent necessarily pursues individualistic objectives because he has to survive (and he knows this is a God-pleasing action) but at the same time he enjoys the company and the success of his co-contractants. For him, the creation and development of the exchange system is part of his own objective structure. Because he knows that he lives in a limited world, the Christian knows he will have to compete against his partners, but this action will be primarily instrumental.

It should be noted here that this intimate arbitrage is based on the nature of the Christian and not on ethical imperatives. It is the Christian himself who has to determine how he will pattern himself after Christ; ethical considerations intervene in this design as adjuvant. To paraphrase Saint Paul, the old constrained, individualistic maximizer is subject to the law of ethical and market rules; the new Christian person is free to determine how he or she will develop constructively the tension between his or her objectives.[18]

It may finally be argued that human beings are naturally sympathetic to one another so that there is no need for a Christian supermaximizer. Natural sympathy was an argument developed by Adam Smith. In effect, Christian faith, at least in its Catholic and Orthodox versions, holds, however, that it is wrong to separate the natural aspects of humanity from its Christian developments. The Christian argument is therefore quite subtle: It takes faith to superactivate the natural sympathy of the human being and to transform the pseudorational economic agent of neoclassical theory into an effective economic agent. From this it could be concluded that: (1) while under certain favorable circumstances markets may develop in the absence of the Christian ethos, it will probably take Christian inputs to ensure a continuous development of the market system, and (2) it is difficult, in practice, to disentangle the sediments of Christian teaching from natural, humanistic tendencies in the secularized West.

The Christian Logic of Economics

Results of the Critical Analysis of Economic Theory

1. Conventional economic theory is led by its canonic assumptions to develop a nonperforming or suboptimal model with a market participation that does not produce markets. The structure of the present paradigm, based on a solipsistic rational agent, prevents the market system from reaching the objec-

tive that its own logic posits, namely, increasing economic specialization and growth.

2. Christianity provides exactly those features that the market system needs to work efficiently and that the canonic assumptions minimize and neglect. Christianity is, thus, the necessary complement of the market system. The Christian impulse is perpetually necessary to prevent the market system from slipping back into the delusion that it is an automatic, easily self-sustained mechanism that allows people to retire from business responsibilities.

Practical Conclusions: The Foundation of an Effective Market Policy

Economists and Christians should give up their respective prejudices and draw practical conclusions from the apparently common logic of Christianity and the market system.

Economists are one of the most resolutely positivist, atheistic, and individualistic groups in the social sciences. Their disciplinary method is radically closed to the notion of a Christian impulse. Economists are however, at the same time, aware of the logical contradictions of their methodology, but they resist this recognition. They are therefore led to rely on some irrational exogenous data (the nation-state, the political will) to supply them with economic policy, which is not compatible with the logic of their method. To escape this further contradiction, they retreat into the "scientific" testing and quantifying of highly delimited (partial) issues. "Christian" economics challenges economists to develop a truly secular economic paradigm that is open to its own development and supportive of real growth.

Formally, the position of the Christian is not markedly different from that of the economist. Christians are as distrusting of economics as economists are of faith propositions. They are instinctively unfriendly to the market system and to its profit-maximizing objective whose theoretic significance they do not understand. They have also generally been unable to distinguish between the ideal of spiritual poverty and economic misery.

In response to the realization that the market system is intrinsically good and that the Christian message is essential to its perfection, churches should provide the market with the necessary Christian input: a stream of dynamic agents capable of developing the market system (entrepreneurs, managers, prophets/professors, political leaders, and so forth) and a succession of critical concepts that will keep economic theory open and innovative. Especially at the dawn of a new century, churches should focus on the evangelization of the market system and on the theological work required to co-create the new globalized world system.

Toward a Theology of Economics

Comparison of the Christian and the individualistic paradigms suggest that Christianity supplies the elements that are necessary for the market system to develop successfully. This conclusion couches in economic terms an old theological tenet: The individualistic and egoistic maximizer, who can only give rise to a constrained and frustrating market system, corresponds to the sinful man who is unable to reach the full perfection of human nature. Christian faith transforms the latter's natural inclination and enables him to develop his full potential, specifically to put his human rationality and sympathy to the development of a superior market system and a more potent reduction of scarcity.

The market system also leads the human being to cooperate with others even though he or she is not ready for full communion with all persons. The market system is thus an imperfect but effective means for preparing persons to develop into a more humane race, capable of more intensive exchanges on a larger scale. The market system is a pedagogical tool, and it achieves this better than all other alternative systems as it either pulls man out of his isolation (autarchy) or frees him from the subjection to authority and passivity (central planning).

It is a pity that theologians have not internalized sufficiently the intrinsic goodness of the market system. This has prevented them from translating standard theological propositions into the language of economics. It also prevents them from realizing in their own language that the market system enables human beings to overcome, through deliberate exchanges and cooperation, the consequences of "Original Scarcity." Furthermore, it prevents them from acknowledging that the Trinity, which is being incarnated in human institutions, heals (saves) what the sin of solipsism had reduced to misery and underdevelopment. Theologians need to understand intuitively how the growth of the market system is a practical means of implementing the history of salvation.

Notes

1. The approach of this article is obviously different from the usual "Christian" approaches to business and social life; these approaches develop the ethical demands placed on economic and social actors with the view of developing a just and fully human society. I investigate a different area, namely, how Christian faith and life remake the human being into a "new creature" who, by his or her own volition and for his or her own "pleasure," develops new economic habits and objectives. Thus, I am concerned here with anthropology and economics, and not with ethics.

It is likely that some readers will disagree with my approach for a variety of reasons. First, some (Christian) critics of economic evils will be reluctant to separate the practical problems of today's capitalism from the foundational deficiencies of the market system, which are discussed here. The need to fight obviously horrible evils—child labor, the destruction of nature in the Third World, and so on—make it difficult to appreciate that the available alternatives to the market system (such as traditional semifeudal systems in underdeveloped societies, central planning, or state management à la France) produce results that are much worse than those of the available and possible market organizations. To make it easier for these Christians to follow the discussion, I emphasize my sympathy with their prophetic criticisms of the present system (its consumerism, its insufficient financial regulation, its excessive imbalances of power, and so forth) even if, as an economist, I believe that their criticisms would be more effective if they realized that the market system is, in principle, an intrinsically good economic system.

A second group of readers might find my emphasis on economic theory apart from a cultural, social, and political framework to be unrealistic. It is, indeed, continually necessary to remember that the human person is complex and that it can be illegitimate to leap from theory to a concrete policy action. A Cistercian monk maximizes differently from a California New Ager, but both of them face the same economic problem. It is, therefore, also legitimate to investigate the fundamental economic problem and its basic solution. One practical objective of this article is to improve the dialogue between Christian leftists and sociologists on one hand and the world of economic analysis on the other. My main objective, however, is to open a discussion with economists on the core deficiency of their paradigm and to initiate a dialogue between economists and fundamental theologians, with the hope of demonstrating to the latter the inherent goodness of market economics.

The major reason that this article will disturb many readers lies indeed in its attempt to rigorously link economics and theology, which is unusual. Until now, economic theorists and fundamental theologians have ignored each other, in part, because few economists are convinced and theologically mature Christians, and because most theologians are dismissive of economics. An elitist division of labor in the departments of theology has worsened this situation: Fundamental theologians have abandoned the study of the relations of business and religion to applied ethicists. The real reason for the mutual ignorance, however, has been the shared conviction that there was no need for a theology of economics; that is, for grounding rational resource allocation in the history of salvation.

2. Section 2 thus, first, uses standard theoretic material to show how the conventional assumption of individualistic maximizing leads to familiar optimal resource allocation *as long as the economic agents can exchange within existing competitive markets*. It then shows, using game-theoretic material, that the same individualistic assumptions make it difficult for these markets to emerge or to be continuously developed. I argue that the Christian message supplies the market participants with exactly those characteristics that are needed for them to develop markets and systems. Christianity endows the "original" economic maximizers with the social characteristics that lead them to internalize in part the benefits derived by their co-contractants. The maximizing logic of the "rational" Christian economic agent removes the contradiction that debilitates conventional theory. This analytic observation helps explain why the development of the market system was historically associated with Christianity.

3. It is difficult for modern people to realize how much the neo-Platonists of the Alexandrian era were infatuated with unity or "the One" in philosophy, art, and mysticism. Reiner Schuermann's *Des Hegemonies Brisees* (Mauvezin: Trans-Europ-Repress, 1996) draws attention to this infatuation and has contrasted it to medieval and modern belief systems.

The famous historian of philosophy, Wilhelm Windelband, *A History of Philosophy* (Strasburg, 1891), 238, states: "Hellenism sees in personality … a restriction and a characteristic of the finite, which it would never apply to the Supreme Being but only to the particular gods. Christianity, as a living religion, demands *a personal relation of man to the ground of the world conceived as supreme personality*, and it expresses this demand in the thought of *the divine sonship of man*.… It is the essential feature of the Christian concept of the world that it regards the person and the relation of persons to one another as the essence of reality.… Neo-Platonism … saw in personality only a transitory product of *a life which as a whole is impersonal*." (Italics in original).

C. S. Lewis's *Mere Christianity* (New York: Macmillan, 1943), 159–60, describes the difference between the trinitarian hyperpersonality of the Christian God and the conventional "impersonal god": "Christianity thinks of humans not as mere items in a list but as organs in a body, … different organs, intended to do different things.... If you forget that (the other human) belongs to the same organism as yourself you will become an Individualist. If you forget that he is a different organ from you, if you want to suppress differences and make people all alike, you will become a Totalitarian. But a Christian must not be either, a Totalitarian or an Individualist.... The Devil always encourages us to spend a lot of time thinking which is the worst. You see why, of course? He relies on our extra dislike of the one error to draw us gradually into the opposite one.”

In recent years Christians have become especially aware of the social and psychological dimensions of the trinitarian basis of their faith. For two popular discussions of the changes brought by the trinitarian message to the ancient world, see Jean-Noel Besançon, *Dieu N’est Pas Solitaire* (Desclée de Brouwer, 1998) and Jacques Levrat, *Risquer des Rencontres*: *Approches anthropologiques du dialogue* (Paris: Harmattan, 1997). An English-language bibliography can be found in Colin Gunton, *The Cambridge Companion to Christian Doctrine* (Cambridge: Cambridge University Press, 1997).

4. Readers of an earlier draft brought to my attention that trinitarian doctrine was being developed already in the fourth century by the Cappadocian Fathers. While this is true, it is important to distinguish between the saving belief of the Church and its “theoretic” clarification. It was Jesus who brought the Good News of true reality and his church only proclaims this news throughout the ages in the language of these times.

In another vein, a Marxist may rightly point out that the message of a personalistic reality—Christianity—was the “ideological” response to the needs of Alexandrian or Hellenistic capitalism. Christianity was the response to a widespread need. This is a correct observation, but Christians have no problem with the concept that natural events prepare the road for the message (*preparatio evangelica*).

5. See Rodney Stark, *The Rise of Christianity* (Princeton: Princeton University Press, 1996), chap. 10, for a remarkable sociological inquiry into the reasons for the rapid spread of Christianity that confirms my view of the effect of the Christian concept of the person on late antiquity.

The radical changes introduced by the Christian “revolution” into the Stoic and Platonic ethos of nonaction and contemplation are exemplified by the deliberate alteration introduced by Saint Benedict into the original Egyptian eremitic and ascetic monastic rules that he adapted for the West. The Benedictines, with their slogan, *Ora et Labora*, were a force of change in Europe since 600. They laid the foundation for the appearance of the communal market system in the Middle Ages. The Cistercians, who were recently “celebrated” as the first multinational and as the vehicle of the early agrarian revolution in the eleventh century, are a branch of the Benedictine Order.

6. This formulation is a bit loose: More precisely, it is the Christian community as whole that is called to secular life; within this community some members may specialize in contemplation as a service to others so that the ones they serve may be more dynamic.

7. Charles Larmore, *The Morals of Modernity* (Cambridge: Cambridge University Press, 1996), 42, summarizes this viewpoint as follows: “My view is ... that secularization is the inner logic of Judeo-Christian Monotheism.” He refers, in particular, to Marc Gauchet’s *Le Desenchantement du Monde* (Paris: Gallimard, 1983).

8. Christians have used Oriental meditation techniques for centuries as “inputs” into their religious life. The purpose of Christian meditation, however, is to achieve a better participation in liturgy and life, not to withdraw from self and the world.

9. This statement reflects the Catholic and the Orthodox belief that human nature is intrinsically good even though in need of achievement (theosis) by Christ through the history of salvation. Reason is not a whore and “grace alone” is not enough to make “man.” According to Catholic theology, the tragedy of human nature is that it must either become “divine” through Christ or it will degenerate into animality without him. I hope that future discussions will help me to integrate contemporary Lutheran and Calvinist positions on this subject.

10. The term *material* is technically incorrect as immaterial services are bought and sold. It is used here to describe the idea that economics concentrates on the human activity that aims to obtain some*thing* while, for example, psychology concentrates on the study of human feelings that are *not* directly related to obtaining some*thing* from some*one* in terms of money. It will also be realized that, even if one were to extend Gary Becker’s analysis to interpersonal exchanges of emo-

tional "services," economic analysis would not be much help to therapists who want to understand the emotions of their clients. This illustrates the difference between economics, which relates to material exchanges, and psychology.

11. It is important to distinguish the criticism of pure economics from the moral criticism of economics. Moral critics argue that an economic system is immoral because it is materialistic and profit maximizing, which is a mistake. Economists do not deny the importance of other values but focus on the question of how material scarcity can be reduced. To proceed with their analysis they hold other aspects of reality constant. Given this approach, the highest output or the state of the lowest scarcity is inevitably the *summum bonum*. Since the concept of competition eliminates any degree of freedom, there is no place for ethical judgments either. Values and ethics are reintroduced in two ways: (1) Specific values (ethical and cultural) result in specific economic *summa bona*. (Say that Puritans prefer to work and accumulate; others prefer to take drugs and to have no children. Each value system results in a structure of output and of assets that is the best possible outcome in the given society, the *summum bonum*). It is the role of the philosopher to show that certain views of human nature are "inferior"; from this data the economist can conclude that the *summum bonum* based on this inferior human technology should be replaced by another. But this concrete application of economic reasoning does not alter the structure of the economic paradigm itself and cannot influence the economist's view that the market system is the most efficient tool to reach the maximum output. The "values" problem is thus not an economic but a philosophical question. (2) To the extent that there are degrees of freedom for individual economic agents (or groups of agents) in the maximization process—regardless of value system—the truly autonomous agents have a moral responsibility to maximize their economic objectives within their own more complex objective function. They must, thus, take aesthetic or other values into account when maximizing economic objectives.

12. Some economists, therefore, rely on exogenous frameworks, and many worry about erosion of these structures by the process of modernization.

13. "Finally, 'Prisoner's Dilemma' and its generalization, the 'Tragedy of the Commons,' provide a rigorous rationale for Kant's categorical imperative: 'Act in the way that you wish others to act.' Acting on this principle reflects more than altruism, it reflects a form of rationality.…" Anatol Rapoport, "Prisoner's Dilemma," in *The World of Economics* (New York: Macmillan, 1991).

14. Hayek offers no solution to the game-theoretic dilemma. He criticizes monopolistic or pseudorationalistic solutions (of structures imposed from the outside on the market process) and advocates the notion that competition will eventually lead to a beneficial outcome. This is an admirable act of faith in the invisible hand of competition but not an explication of the ways and means of overcoming the self-interest of the competitors. Hayek thus salvages economic rationality by denying the relevance of the game-theoretic reality.

15. Many Christian economists express their dissatisfaction with the economic paradigm by arguing that the modernization process destroys the framework that has been supplied to the market system exogenously by the precapitalist generations, and they argue correctly that sociopolitical resources should be allocated to the remaking of adequate frameworks. All of this is practically correct but bypasses the fundamental theoretical issues, which must be clarified if their policy advice is to become operational.

16. Many Christian students of political economy (e.g., Michael Novak) have emphasized that the concept of the person is the major contribution of Christianity to social philosophy. This point is correct but not sufficient to solve the issue that besets the market system. The emphasis on the person rather than on the Trinity has several drawbacks. First, it draws attention to the ultimate result of divine action rather than to its source and rationale. Furthermore, their description of the person does not concentrate on the intrinsic link between the primary characteristic of the person and the exchange system. Last and most important, the notion of the person is generally associated with dynamism and creativity (which is a correct but general observation) rather than with the specific issue of the balance to be kept by market participants between self-maximization and exchange-system maximization. The trinitarian life and pattern at the origin of the redeemed person focuses directly on this issue.

17. For Thomas Aquinas, sin is above all a deficiency, a limitation, a lack of capacity. Man is not wicked but in need of completion by grace.

18. It can easily be understood why economic ethics was developed: It is practically useful to define what is implied by the Christian message and natural law. The use of ethics also made it possible to evade the economic problem and trinitarian belief, and thus to develop a syncretic corpus on which most critics of the market system, radical and moderate, Christian and atheist, could agree. This consensus was also useful for inspiring labor-management negotiators and individual decision-makers, but by the nature of its syncretism, moralism, and pragmatism it could not provide guidance to economists and theologians. It was therefore rightly relegated to the practicality of business administration and neglected by theorists and philosophers.