

6. Economics as identity

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Events in the closing decades of the 20th century – notably the political success of the Reagan and Thatcher administrations and the end of the Cold War – provided a boost to market economics¹ in academia. Out on the street, market economics has become – along with democracy and sexual freedom – the ideology of choice for the masses.²

Yet support for market economics is not universal. The opponents of globalization and microeconomic reform are always on the lookout for adverse outcomes for particular groups – the invisible workers of the Third World, the Western unemployed and the culturally dislocated. This is partly due to their perception that the benefits of economic change are not shared around. Or, to put it the way an economist might, they suspect that potential Pareto improvements are not routinely turned into actual Pareto improvements.³

Important as economic outcomes are, however, it would be a mistake to suppose that they are the sole cause of the residual unease with market economics. Like all social arrangements that organize consumption and production, market economics has an *identity-moulding* function. Any economic system can potentially provide us with the table, chairs and coffee to be with our friends. But it will also influence how we think and talk about ourselves – our identity – when we are with our friends. Could it be that some unease with market economics comes from a resistance to being pressed into the mould of ‘economic man’?

Some economists ignore identity because they admire the scientific objectivity of behaviourism. This is the branch of psychology that explains behaviour by response to external stimuli (‘conditioning’), rather than beliefs, emotions or intentions. Behaviourism has the supposed scientific advantage that stimuli are objectively observable in a way that beliefs, emotions and intentions are not. A concept like identity is not easily observed and is therefore easy for admirers of behaviourism to dismiss.⁴

Other economists are not so sure. Akerlof and Kranton (2000) point out that branches of psychology, sociology, political science, anthropology and history have all adopted identity as a central concept and ask why economics could not do the same. They suggest that group identity might have significant explanatory power for economic analysis.

An alternative way to put identity centre stage in economics is to consider the possibility that economic theory might influence personal identity, either directly or indirectly, through the uptake of market economics. The direct effect of market economics on identity is most likely to be felt by those who undertake training in economics. Although it is cast in terms of behaviour rather than identity (as is inevitable, given the behaviourist-envy of economists), Frank, Gilovich and Regan (1993) find that training in microeconomics teaches people to be less cooperative.⁵ Economics encourages the view that people are self-interested, which leads people to believe that others will not cooperate in social settings. This, in turn, encourages people not to cooperate if they believe others will not. A qualifier is that economists do not necessarily see conflicts as ‘zero-sum games’ (the gains of one person must equal the collective losses of all other parties), and so economists may be more enlightened problem-solvers in fact.⁶

An indirect effect of market economics is flagged by Becker (1981, p. 303): ‘If I am correct that altruism dominates family behaviour perhaps to the same extent that selfishness dominates market transactions, then altruism is much more important in economic life than is commonly understood’. If Becker is correct, a society that substitutes market production for household production – as Western society has done over the late-20th century – will experience a greater orientation towards selfishness. Again, it is hard to imagine an economist thinking of selfishness in terms of identity but it is not that hard to do.

Unlike economics, social contract theory has described the dangers of absorbing too much of ‘economic man’ into identity. Gauthier (1986) is a staunch advocate for the model of economic man and his ‘morals by agreement’ is based on enlightened self-interest. Yet even he is concerned about the prevalence of economic identity:

In so far as the idea of economic man is part of our way of understanding ourselves, part of our idea of what it is to be human . . . then the rational bonds of morals by agreement may be too weak to hold us. We need exorcism [of economic man] in addition to argument. But that I have no power to provide. (Gauthier, 1986, p. 317, cited in Evans, 2004, p. 278)

In view of the above, it does not seem unnatural to me to assert that the ascendancy of market economics, both in academia and on the street, could itself explain some perceptions of human identity in market economies.

This chapter seeks to clarify what ‘the idea of economic man’ – the economic identity that Gauthier is so afraid of – looks like. Since I am writing as a Christian, I compare the identity of economic man with a model of Christian identity.

Fortunately, there is a natural way to make the comparison. Both economics and Christianity have a long-standing tradition of representative agents. The representative agent in economics is 'economic man', invented by John Stuart Mill (1844). The Bible also has its representative agents, an example being the Apostle Paul's reference to each human person being 'in Adam' or 'in Christ' in 1 Corinthians 15.⁷ Let me therefore arrange a meeting between 'theological man' and Mill's 'economic man'.⁸ The rest of the chapter takes the form of a Platonic dialogue about their respective identities.

SCENE 1: ECONOMIC MAN AND THEOLOGICAL MAN INTRODUCE THEMSELVES

Economic Man is sitting on a bench. His appearance is androgynous. He is reading John Stuart Mill (1844) 'On the Definition of Political Economy'. A woman comes and sits down on the bench: she is Theological Man.

Theological Man: Hello – er – that looks like an interesting book.

Economic Man: Yes, it was a birthday present.

Theological Man: I see (*pause – she is confused by his androgynous appearance*). If you don't mind my asking . . . how old are you?

Economic Man: I was born in the Enlightenment. By the way, my name is Economic Man.

Theological Man: Nice to meet you (*they shake hands*). My name is Theological Man.

Economic Man (taken aback): Well . . . I mean . . . you don't look like a man.

Theological Man: Neither do you.

Economic Man: I'm not supposed to; I am a construct whose attributes are applicable to either gender. I am completely rational, my preferences never change and I thrive on mathematical calculation.

Theological Man: Are you *sure* you're gender neutral? Anyway, I'm fictitious too. I am a theological model based on Scriptural statements but I'm not androgynous. 'Human beings exist in an irreducible duality of male and female; there are no generic human beings, only male and female human beings' (Volf, 1996, p. 183).⁹

Economic Man: It *does* sound a little old fashioned to use a gender-inclusive 'man', so I would find our conversation a little more . . . er . . . modern if we could do something about our names. John Stuart Mill made me up, so why don't you call me John?

Theological Man: Fine. There are plenty of Marys in the Bible; why don't you call me Mary? (*John nods*.) Why don't you tell me about yourself, Econ . . . er . . . John?

John: I was introduced by John Stuart Mill in 1836.¹⁰

What is now commonly understood by the term 'Political Economy' . . . makes entire abstraction of every other human passion or motive except those which may be regarded as perpetually antagonizing principles to the desire of wealth, namely, aversion to labour, and desire of the present enjoyment of costly indulgences. . . . Political Economy considers mankind as occupied solely in acquiring and consuming wealth; and aims at showing what is the course of action into which mankind, living in a state of society, would be impelled, if that motive, except in the degree in which it is checked by the two perpetual counter-motives averted to, were absolute ruler of all their actions. . . . Not that any political economist was ever so absurd as to suppose that mankind are really thus constituted, but because this is the mode in which science must necessarily proceed. When an effect depends upon a concurrence of causes, those causes must be studied one at a time, and their laws separately investigated, if we wish, through the causes, to obtain the power of either predicting or controlling the effect. . . . With respect to those parts of human conduct of which wealth is not even the principal object, to these Political Economy does not pretend that its conclusions are applicable. But there are also certain departments of human affairs, in which the acquisition of wealth is the main and acknowledged end. It is only of these that Political Economy takes notice. The manner in which it necessarily proceeds is that of treating the main and acknowledged end as if it were the sole end; which, of all hypotheses equally simple, is the nearest to the truth. . . . This approximation is then to be corrected by making proper allowance for the effects of any impulses of a different description, which can be shown to interfere with the result in any particular case. . . . the conclusions of Political Economy will so far fail of being applicable to the explanation or prediction of real events, until they are modified by a correct allowance for the degree of influence exercised by the other cause.

Mary: Let me see if I understand this. You are, if I may say so, a fictional construct – Mill states plainly it would be absurd to think otherwise. But you exist in order to understand only those parts of human conduct whose end is primarily the accumulation of wealth. To use Blaug's (1993) phrase, economic man 'abstracts twice': all those actions not connected with the pursuit of money income are outside your domain; and the other motives in 'money-making' activities are ignored so that the effects of your acquisitiveness – checked by your love of current consumption and your dislike of work – can be isolated.

John: That's right. Mill wrote before the development of econometrics, or experimental economics, so he lacked these more recent means of controlling other factors in a scientific investigation.

Mary: But Mill didn't have the last word, did he? Robbins (1932) veered away from what he called a *classificatory* definition of economics – such

as Mill's income maximization subject to wanting leisure and current consumption – towards what he called an *analytic* definition of economics. The analytic definition 'does not attempt to pick out certain kinds of behaviour, but focuses attention on a particular aspect of behaviour, the form imposed by the influence of scarcity' (Blaug, 1993, pp. 16–17). Robbins describes 'economic science' by four statements: first, humans desire various ends; second, the time and means of achieving these ends are limited and capable of alternative application; third, ends have different importance; and fourth, the economist studies the disposal of scarce means to achieve competing ends (ibid., pp. 12–13).

John: This debate to define the proper limits of economics continues to this day and it has a dynamic relationship to the way in which the literature unfolds. I like Mill's observation that the definition of a science usually follows the creation of science itself: 'Like the wall of a city, it has usually been erected, not to be a receptacle for such edifices as might afterwards spring up, but to circumscribe an aggregate already in existence'.¹¹ So I need to tell you about two people who tried to move the wall even further out than Robbins did. Friedman (1953) argued that the test of a good model is its ability to predict, even if the assumptions appear unrealistic. Friedman's idea allows theorists to use me in an astonishing variety of contexts, which would have been ruled inappropriate by Mill, so long as the model predicts something. One example you might be interested in, Mary, is an economic explanation of the Protestant Reformation by Ekelund, Hebert and Tollison (2002)¹² (*Mary raises her eyebrows*). Alongside Friedman is Gary Becker (1981). He won a Nobel Prize for extending economic applications into areas such as marriage, divorce and child-bearing. His economic methodology, namely, 'maximizing behaviour, market equilibrium, stable preferences, used relentlessly and unflinchingly' (Becker, 1976) could, in his view, be applied to *any* area of human endeavour. So some later thinkers disagree profoundly with Mill, who was relatively humble about the scope of economics.

Mary: In fact, I noticed at the end of the quote from Mill that he said any economic analysis should involve a correction of the 'approximation' before it has any hope of explaining a real event. That is even more humble.

John: But if my motives are the most important ones in a given situation – and he said that political economy should not be applied otherwise – then an explanation *is* offered, albeit an approximate one, by *only* considering what I would do.

Mary: Do you think a classificatory definition still holds sway?

John: The winner of the 1984 Nobel Prize in Economics, Sir Richard Stone, seems to have used it when he said, 'The three pillars on which an

analysis of society ought to rest are studies of economic, socio-demographic and environmental phenomena' (Stone and Corbit, 1997, p. 5). Environmental phenomena are affected by scarcity, so why would he have separated it from economic phenomena if he were using Robbins's wide-ranging definition? Most public servants use Mill's definition too. Everyone knows that an *economic* policy department is one that concerns itself with Mill's concerns. A department of arts and culture would not normally be called an economic policy department. Going more broadly, I think Mill is alive in the popular consciousness (*Mary looks puzzled*). What I mean is that different kinds of behaviour are observed in situations involving money transactions compared with situations involving ethical norms. There is some research into switching between monetary and ethical valuations and it goes by the name of 'motivation crowding'. Gneezy and Rustichini (2000) noted that when a crèche in Israel introduced a fine for parents who were late in collecting their children, the number of late collections increased markedly. The interpretation they gave was that the institution of a payment for late collection changed the attitudes of the parents. Previously, late collection had been understood to be bad behaviour but once there was a price the parents worked to a different calculus. Frey and Oberholzer-Gee (1997) found that the willingness of Swiss citizens to accept the location of a nuclear facility in their neighbourhood fell sharply once compensation was offered. The point of these studies is that introducing prices changes the frame of reference by which behaviour is determined.¹³

Mary: But why should academic economists care about the opinions of ordinary people!? Most ordinary people don't understand Einstein's relativity theory.

John: I thought you admired Mill's humility! (*Mary looks uncomfortable*.) I am not saying that academics have to believe uncritically everything ordinary people say. What I am saying is that ordinary people are the *objects of study* of social scientists. And if their beliefs lead to actions, social scientists are obliged to explain these actions as best they can. If the change in frames – between a price-dominated one and an ethical one – is a real social phenomenon, it ought to be of interest to at least one branch of the social sciences. And the most natural science for this purpose is economics. That is, economics conceived of in the way that Mill did.

Mary: Can we move to another point? You said earlier that you were always rational, and I've heard other people say that you maximize 'utility'. What do these terms mean?

John: At a minimum, they mean that I can hold a preference over two states of the world, x and y , and consistently reveal that preference through

time. My personal utility is then defined as simply a numerical representation of this preference – a mathematical function – assigning a higher utility index to a preferred alternative (Sen, 1977).

Mary: With this set of definitions, you can hardly escape maximizing your own utility.¹⁴ If you are consistent, then ‘no matter whether you are a single-minded egoist or a raving altruist or a class-conscious militant, you will appear to be maximizing your own utility in this enchanted world of definitions’ (ibid., p. 323).

John: I can see your utility function has many arguments. But I’ve talked long enough; why don’t you tell me about yourself?

Mary: Before I do, I want to ask you something important.

John: What is it?

Mary: What would a world look like if it was entirely composed of people who had your identity?

John: Well, if we use the definition of Robbins, Friedman and Becker, it would look pretty much as it is now. Since everyone is, by definition, maximizing utility, everyone has my identity. Perhaps it would be a more stable place than it is now, since people do seem to violate the assumption of stable preferences.

Mary: Might be a bit boring, I suppose, but anti-globalization protesters or the opponents of microeconomic reform can hardly be so scared of becoming more . . . er . . . stable.

John: Many of these people use Mill’s definition, I think, and his horror expressed in the phrase ‘Not that any political economist was ever so absurd as to suppose that mankind are really thus constituted’. A world where people were only concerned about money-making is the world they want to avoid. But, anyway, I’ve answered your question, and I won’t let you avoid telling me about yourself any longer.

Mary: Alright, you began by quoting Mill, so I am going to start with some biblical texts. I hope you don’t mind, but because there is a double meaning of Adam in Genesis – a single man and mankind – I will use the English ‘man’ sometimes to mean mankind (*John acquiesces by nodding*):

Genesis 1:26–28

26 Then God said, ‘Let us make man in our image, in our likeness, and let them rule over the fish of the sea and the birds of the air, over the livestock, over all the earth, and over all the creatures that move along the ground.’

27 So God created man in his own image, in the image of God he created him; male and female he created them.

28 God blessed them and said to them, ‘Be fruitful and increase in number; fill the earth and subdue it. Rule over the fish of the sea and the birds of the air and over every living creature that moves on the ground.’

Genesis 2:7

[T]he LORD God formed the man from the dust of the ground and breathed into his nostrils the breath of life, and the man became a living being.¹⁵

Man is a special animal. On the one hand, he is firmly part of the natural world – formed from the dust. That is one reason why the sciences that emphasize continuity with the animal kingdom work as well as they do – medical science being the best example. But man is also made in the image of God, so that ‘man cannot be understood or explained completely in terms of categories taken from “the world”’ (John Paul II, 1979).

John: I’ve heard the phrase ‘image of God’ before but I don’t understand it.

Mary: On a common sense level, obvious differences between humans and animals could possibly indicate what the image might be. Things like sophisticated language, self-awareness, ability to enter relationships and highly developed feelings could all be part of the story. But Gunton (1992) disputes this approach, arguing that the image of God is to be understood relationally, rather than in terms of fixed characteristics like reason or will.¹⁶ Sherlock (1996) says a similar thing, and focuses on relationship ‘upwards’ to God, comprising obedience and praise, and the relationship ‘downward’ to the rest of creation, comprising dominion and the task of gaining sustenance. Evans (1979) focuses on the epistemological and existential dependence on God that this image implies. Though human images are used in Scripture to describe God (for example, in Genesis 2 or the phrase ‘heavenly father’), an adequate understanding of man proceeds from an adequate understanding of God, not vice versa. Man is God’s creation. Not only does he originate with God but God sustains him moment by moment (Colossians 1:17). Without God, man is literally nothing. Another key idea is that, under God, man is supposed to care for the creation – this is the theme of stewardship that features prominently in the economic principles of Hay (1989).¹⁷

John: But if we understand humanity by understanding God, how do you explain the moral lapses of humanity – for example, environmental degradation?

Mary: The Fall is a key doctrine here. The judgment for disobedience is a kind of ‘un-creating’ – humanity suffers a broken relationship with God, with other human beings (for example, Cain killing Abel in Genesis 4) and with the environment.¹⁸ Through physical death, man unravels and returns to the dust (Genesis 3:19). It might even be conjectured that fallen man is closer to nature – to dust – than he would have been without the Fall, and so the more cynical views of humanity (present

company included) may have greater explanatory power than they would otherwise have. Incidentally, the Fall illustrates that man has the ability to choose between good and evil, to some extent,¹⁹ and that humans are held accountable for their actions – theological man is a responsible agent.

John: This is a long way from where I am coming from, but before we debate some points, you had better spell out any other relevant features of theological man.

Mary: OK, there are two in particular. First, humans are members of a *mishpaha* (Hebrew: *family*). Family can be as wide as a nation or as small as the immediate family. It can be contemporary or through time. The communal nature of human life is a strong biblical theme, without which a book like 1 Corinthians would not make sense.²⁰ The communal nature of human life means that we are all implicated, in some mysterious way, in cinema-scale evil such as the Inquisition or the Holocaust.

John: And I thought economics was the ‘dismal science’! What was the last thing you wanted to say about yourself?

Mary: Crucially, the whole of the New Testament is devoted to the reversal – partly present, partly future – of the Fall. This reversal – it is called redemption – occurs when individuals choose to make Jesus their Lord and Saviour. The biblical account of redeemed man is that they have been granted a new stature due to the activity of Christ. Sherlock (1996) sees this new man as being caught up in the divine initiatives of Christ’s reconciliation of man to God, his reconciliation of all nations, classes and genders and his reconciliation of the whole material universe to God. These are yet to be completed but have begun with the coming of Christ. While waiting for the completion of God’s plans, Christians are to witness the crucified and risen Christ, and live a life worthy of their new status (Ephesians 4).

John: I’m not sure I understand all of this but let me ask you: what would the world look like if everyone had your identity?

Mary: Well, I’m afraid that’s a little hard to answer. As you might have gathered from what I said, the work of Christ in creating a new humanity (or ‘man’ if you will) does not apply to everyone automatically. There are really two types of people – those in Adam, who have not entered a relationship with God, and those in Christ, who have. A world where everyone is ‘in Adam’ is described by Paul in Romans 1 (18ff.); and a world where everyone is in Christ is the future hope of Christians – the resurrection to a new humanity.

John: I see. Your anthropology really contains two types then (*Mary nods*). I’ll have to keep this in mind as we dialogue.

SCENE 2: THEY BEGIN A CONVERSATION

Act 1: Is John a Behaviourist?

John: You’ve told me a lot about yourself, Mary, even though I don’t pretend to understand it all. I suggest we ask each other some questions to try to get at our essential identities.

Mary: Alright, I want to ask you about how economics relates to behaviourism. You will recall that this is the branch of psychology that explains behaviour as a response to external stimuli (‘conditioning’), rather than beliefs, emotions or intentions. What is really interesting to me is how this focus on external observable phenomena, and this discarding of mental events, seems to lurk within economics.²¹ Listen to Becker (1981) sidestep the whole question of motivation for altruism in *A Treatise on the Family*:

Since an altruist maximizes his own utility . . . he might be called selfish, not altruistic, in terms of utility . . . I am giving a definition of altruism that is relevant to behavior – to consumption and production choices – rather than giving a philosophical discussion of what ‘really’ motivates people. (Becker, 1981, p. 279)

The quotes around ‘really’ are striking; the implication is that motivation per se is imponderable, or even meaningless. It’s the sort of thing a behaviourist would say. Even a highly innovative article on identity displays the same tendency (Akerlof and Kranton, 2000). When talking about their utility function that incorporates identity, they say that the opinions of others are revealed through actions. Why don’t they admit the possibility of hearing opinions through speech! Behaviourist-envy again . . .

John: Why do you care about this?

Mary: Within a theological framework, the deep thoughts of people are significant – in fact eternally so, for they will be one of the criteria used in God’s judgment. And the important biblical notion of the ‘heart’ is connected to thought.²² Listen to Mark 7:21: ‘for from within, out of the heart of men, proceed evil thoughts, adulteries, fornications, murders, thefts, covetousness, wickedness, deceit, lewdness, and evil eye, blasphemy, pride, foolishness’. These real phenomena include both inward attitudes (e.g., pride) and outward actions (e.g., adultery). It is impossible to square the seriousness given to motives and thoughts in the Scriptures with their supposed irrelevance within behaviourism and, by implication, economics.

John: But you have misunderstood modern economics! Rational choice theory (assuming agents have consistent preferences) *does* have a role for

mental events. My consistent ordering of alternatives – my preferences – could very well be a function of the kind of mental events that behaviourists dismiss.

Mary: Alright, I admit rational choice does make a step in the right direction here. It is not as bad as classic behaviourism.

John: Thanks.

Mary: But I am afraid that I am still not satisfied (*John rolls his eyes*). The presumption that the most useful scientific explanations of personal action can be found without ever asking the agents concerned seems very odd. The economic assumption is that people choose what they want (they ‘maximize utility’) and nothing more is gained by asking them about their actions. Sen (1977) argues persuasively that a lot could be gained from delving into motivation. In particular, he argues that sometimes people act against their interests due to their commitments. This point is lost on economists because of a linguistic sleight-of-hand with the word ‘preference’:

The characteristic of commitment with which I am most concerned here is the fact that it drives a wedge between personal choice and personal welfare, and much of traditional economic theory relies on the identity of the two. This identity is sometimes obscured by the ambiguity of the term ‘preference’, since the normal use of the word permits the identification of preference with the concept of being better off, and at the same time it is not quite unnatural to define ‘preferred’ as ‘chosen’. I have no strong views on the ‘correct’ use of the word ‘preference’, and I would be satisfied as long as both uses are not simultaneously made, attempting an empirical assertion by virtue of two definitions. (Sen, 1977, p. 329)

John: So, given this tendency towards behaviourism, what do you think of my identity?

Mary: It reminds me of the story about the economist who was put in charge of an orchestra. He sacked the 2nd violins because they already had 1st violins, and then he cut out all the repeats in music because he put a dollar value on all the ‘wasted’ time by the audience. That story is usually told to emphasize the obsession of economists with efficiency but it also says something about the kinds of interests a quasi-behaviourist has. Someone who trivializes beliefs, emotions or intentions is hardly likely to ‘get’ what constitutes human culture.

John: I think we are back to the question of the proper limits of economics. The narrower its goals, the less it may matter if theorists ‘get’ human culture in a deep way.

Mary: I agree with that.

Act 2: Can Mary Live in the Modern World?

John: I want to ask you a question now, Mary. What do you think of the Enlightenment – I mean the whole social science enterprise? All the stuff you quoted earlier is pretty ancient and . . . well, a lot has happened in the last few hundred years. I guess I want to know if your ‘in Christ’ identity turns you into a Luddite!²³ Can you live in the modern world?

Mary: Theologians try not to be taken up with the latest fad – they don’t dismiss all thinking prior to the Enlightenment. Stott says tradition ‘[gives] votes to the most obscure of all classes, our ancestors’. He then quotes Harry Blamires: ‘If you accept the “one man, one vote” principle for the Christian church, the pollsters will have to do most of their sampling in heaven’ (Edwards and Stott, 1988, p. 84)²⁴ (*John looks offended at all this*). But I am not opposed to science – just because I value pre-Enlightenment thinking doesn’t mean I despise post-Enlightenment thinking. Since all truth belongs to God (Holmes, 1977), I value it wherever I find it.

John: But that doesn’t answer my question; what criteria are you using to decide if a social science is providing you truth? Isn’t it right that you have an overriding commitment to theological truth? Doesn’t that mean that you wouldn’t accept sound scientific judgment if it conflicted with what you believed the Scriptures said?

Mary: It’s interesting the way you phrased the question; the implication is that I would find quite frequently that my worldview was being thrown into question by science. Religious believers are by no means the only thinkers with loose ends and unanswered questions. If you were to be honest, you’d admit that economists have a few too.

John: We do not!

Mary: Really? Imagine saying that it doesn’t matter if assumptions are wrong as long as a model predicts well (Friedman, 1953). So you believe in Ptolemaic astronomy, do you!?

John: (*grudgingly*) Well, the Copernican system predicted some things better, which is all that Friedman required. But I do see your point – it is odd to regard a theory as being *completely* untainted by assumptions you know to be patently untrue (Hay, 1989).

Mary: Rather than presuming I would have lots of conflicts with ‘sound scientific judgment’, I think it would be better to talk about what constitutes such judgments. You’re right that I’m not an uncritical fan of the Enlightenment.²⁵ I think it burdened Western thought with a particularly narrow conception of what real knowledge is, which can be summarized by two theses. ‘Scientism’ says that science gives us *ultimate* truth about *all* reality, and the ‘unity of science’ thesis defines science in

a very narrow sense, namely, there is *one genuine scientific method* and it consists in giving us *impersonal* causal explanations, which lead to *testable propositions*. Here is how Evans (1979) breaks down scientism and the unity of science theses into four propositions:

Scientism

- 1a Science gives us truth about the whole of reality.
- 1b Science gives us ultimate truth about those realities it describes.

Unity of science thesis

- 2a There is one method that all genuine sciences employ.
- 2b This method consists of giving impersonal causal explanations, which are empirically testable (positivism).

You're correct that revelation has an impact on my general approach. In particular, I cannot accept all these propositions bundled together. To accept scientism, I would need to define theology as a science (thereby rejecting the unity of science thesis). Or, to accept the unity of science thesis, I would have to limit the scope or ultimate nature of science (thereby rejecting scientism). This is all because I regard biblical revelation as real; and even though my theological theories are imperfect models of it, I take them very seriously. Evans says I can be a *limiter* of science by rejecting 1a or 1b or a *humanizer* of science by rejecting 2a or 2b.

If I reject 1a, I am saying that there are some 'off-limit' areas for economics. This could mean that I accept a classificatory definition, like Mill, and completely discount what it says of, say, the Protestant Reformation. If I reject 1b, I am saying that economics may give us some truth about everything but maybe not ultimate truth. I could say that an economic analysis of the Protestant Reformation might have some value, without a prior commitment that it has *much* value.

If I reject 2a, I am saying that the positivistic account of science is appropriate for some sciences but not others. Surely you would be the first to agree with me that economics *is* different to physics and chemistry? It is one thing to ask for impersonal explanations of chemical reactions but quite another to ask for impersonal explanations of persons! But I would go further than you. I would want to allow for revelation to inform some issues that lie close to core Christian doctrines. So, if I went down this path, I could accept scientism (1a and 1b) but I would have to claim theology as a science. By the way, this needn't mean a wholesale transformation of all received scientific wisdom. I agree with Holmes (1977, p. 51): 'not all matters are equally closely related to central issues of Christian belief or unbelief. Mathematics is more remote than political science, political science than ethics and

ethics than theology. Within each of these disciplines, likewise, there are degrees of proximity to central issues'.

In my opinion 'economics' deserves the same ranking as 'politics' in the above quote – the corpus of economics is generally less impacted by biblical revelation than ethics is (or should be) but economics should be more impacted by biblical revelation than pure mathematics.

Finally, if I reject 2b, I am saying that the positivist account doesn't even work for the physical sciences (Blaug, 1993). So, you might find that I accept your 'sound scientific judgment' quite often, though there will doubtless be times that I won't.

John: Can you give me an example of something you'd reject?

Mary: Your sound scientific judgment includes embracing Hume's fact/value distinction, which is loosely the positive/normative split in economics. The idea is that positive economics tells you what 'is' (say, what the level of gross domestic product [GDP] is and how it could be increased) and normative economics tells you what 'ought' to be the case (how high GDP *should* be). I want to criticize the fact/value distinction along two dimensions. First, Blaug (ibid.) says all facts are theory-laden to some extent. To use GDP as an example, the original national accounting schemes were strongly influenced by Keynes's writing, which in turn focused on aggregate expenditure because he was concerned about high unemployment. Had Keynes written in an era where environmental degradation was seen to be more important than unemployment, it is likely that the national income measures would have included environmental externalities, and been very different as a result. On the second dimension, when you move closer to core Christian doctrines, you are moving into a realm where ethical, spiritual and relational 'facts' have prominence, so the Enlightenment distinction is in error, perhaps badly so. The personal or social goal of increasing command over resources²⁶ is potentially idolatrous, according to Scripture. It follows from this 'fact' that those 'in Adam' will easily find themselves worshipping it. If you want to use economic language, you could say that they chronically over-value the benefits, to the detriment of their families, the environment and, most importantly, of their relationship to God. Why doesn't this 'fact' find its way into the positive analysis? After all, it is part and parcel of the fabric of reality. And while we're on this subject, why can't I assert 'too many people in Africa are destitute' as a fact? If people are bearers of the image of God, doesn't that imply the basic dignity of material sustenance and, if we are created for community, doesn't it imply that we have real factual responsibilities to these people (van Til, 2007)?

John: I'm sorry, Mary, but you just don't understand the fact/value distinction. Its whole usefulness in economics is just to separate the analysis of

possibilities, with its attendant policy menu, from decisions about what you do with those choices.

Mary: Well, use that language then! You have to admit that calling something a fact gives it an objective, indubitable edge over a mere value.

John: You haven't convinced me but I just want to clarify something from your discussion about GDP. Don't you care at all about economic efficiency?

Mary: It's true that it doesn't even rate a mention in the biblical narrative (Hay, 1989) but it could be justified under the heading of care for the creation; the flip side, inefficiency, is waste of some form. But if I may be permitted to misquote Jesus, GDP was made for man, not man for GDP.²⁷

Act 3: Is John Anti-social?

Mary: John, we need to talk about relationships (*John gets out his pad and starts drawing indifference curves*).²⁸ Mill did talk about man 'living in a state of society', and that does imply relationships.

John: (*preoccupied*) So?

Mary: One of the casualties of Hume's distinction is that things intrinsic to relationships – values, trust, mutuality – do not really pass as 'facts', and so do not relate to the 'real' or objective world. The Christian point here is that relationships existed prior to any material creation, in the guise of the Trinity (Gunton 1992). So, if relationships are more fundamental even than matter, Hume's distinction starts to look odd.

John: (*looking up*) But what has this got to do with economics?

Mary: Doesn't it strike you as odd that a *social* science has no truly adequate theory of the social? Just look at the articles in the *American Economic Review* on the loss to the economy of gift-giving (Waldfogel, 1993 and Solnik and Hemenway, 1996). These authors compare the recipient's valuation of the gift with the giver's cost and, if it is lower, announce a loss. But gift-giving is a much more complex phenomenon and, to truly understand it, you need to understand relationships. You could even understand giving as a kind of consummation of relationship. C.S. Lewis put it well when describing the eternal rewards of being a follower of Christ:

We must not be troubled by unbelievers when they say that this promise of reward makes the Christian life a mercenary affair. There are different kinds of reward. There is the reward which has no *natural connexion* with the things you do to earn it, and is quite foreign to the desires that ought to accompany those things. Money is not the natural reward of love; that is why we call a man mercenary if he marries a woman for the sake of her money. But marriage is the

proper reward for a real lover, and he is not mercenary for desiring it. (Lewis, 1942, p. 1)

So, gifts are more than utility-maximizing trades, and economic analysis is not the best way to understand them.

John: I want to take you to task on this, Mary. Aren't you mixing up an *ideal* world with the *real* world? I mean, you even said yourself that man is 'fallen'. Isn't it possible that gifts *could* be more than trades but they often *are* just trades? If I get another pair of socks from Aunt Harriet, I shall scream.²⁹

Mary: That's an important point. My 'in Adam' person could indeed become like this. That makes you a subset of my anthropology in some instances. So, I have to grant you legitimacy for discussing the way the world often is, regrettably, as opposed to the way the world ought to be. This is important, not only for the sake of truthfully describing the world, but also from the point of view of designing wise policy – after all, Jesus did say we should be as wise as serpents and as harmless as doves.³⁰ Part of being wise like a serpent is seeing motives in a fallen world realistically.

John: All that stuff about the way the world is and ought to be sounds a bit like Hume's is/ought distinction!

Mary: (*sighs*) Alright, I could put what I just said in terms of Hume's distinction. But I still think you're anti-social.

SCENE 3: INTEGRATION IS DISCUSSED

John: Mary, I've been doing some calculations (*he shows her the pad*) and I think we should get married.

Mary: John, it's kind of you to ask . . . but there's a problem.

John: (*puzzling over the diagrams and mathematics*) I . . . I don't think so.

Mary: I'm afraid I've read the literature on the economics of the family. It starts off with Becker espousing altruism but then degenerates into selfish bargaining games (Menzies and Hay, 2007).

John: I'm still not getting it.

Mary: John, I'm sorry. Let me try to explain it this way. Even though I'm prepared to use you, I find you, well, offensive in many ways.

John: We could use each other! It's utility maximizing. Will you, Mary, promise to maximize utility relentlessly and unflinchingly (Becker, 1976) . . . ?

Mary: Sorry, no. We'll have to stick to theorizing. After all, you *are* androgynous (*both exit*).