

Second Edition

Bulls, Bears
and
Golden Calves

Applying Christian Ethics in Economics

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Foreword by Francis X. Tannian

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FOREWORD

What will you do with your life? That question and your answers are important. Evidence suggests that what you do with your own life and how well you perform will be influenced greatly by how well you can think.

Ethics and economics are the ground-level topics of this book. Both ethics and economics emerged over hundreds of years as branches of philosophy. Each is a complex system of thinking, and over time barriers have been put in place to keep these two fields of thought separated. Increasingly, in the past fifty years economists, along with thinkers in other disciplines, felt they could improve their analytical reliability by cutting out many of the complications raised by ethics, but in fact ethics and economics treat the same basic subject matter: how human beings make choices.

Most economists play down or omit altogether any evaluation of whether choices are good or bad for persons or for nations. In fact, words like *good*, *bad*, *right* and *wrong* are seldom found in economic analysis. For example, when time, money and other resources are combined to produce a service like healthcare, economists usually are little concerned about whether this “ought to” have happened, whether such a service is good or bad. Instead, economists determine whether the preferences of the people who wind up paying for the health services (benefits) match the value of the resources used up (costs) to produce these services. Economic thinking looks at healthcare as one among many costly services. To say that healthcare is somehow a “better” service is not within the range of economics. But such questions are central to the field of ethics.

The influence and popularity of economics as a way to think about the choices people make have been expanding. The nightly news will rarely come to a close without some discussion of job markets, unemployment, oil price shifts or some agency’s proposal to spend more tax resources on the environment. The president of the United States is charged by law to make an annual economic report. No such charge is made that she or he provide an annual report on the ethical state of the union.

Ethics, specifically Christian ethics, remains largely hidden from public view and discussion. Ethics attempts to create a coherent and systematic exposition of values intended to guide personal conduct and character. What are the objective values we must live by? What are standards of good and bad personal behavior? Are these standards of good and bad behavior merely subjective, up to each one of us to select? These questions are the basic stuff of ethics.

Greek philosophers tackled these questions over two thousand years ago. They thought that a knowledge of the self was central to an excellent life. By contrast, an unexamined life was simply not worth living. The Greeks held that certain qualities of personal behavior—prominent among them temperance, courage and wisdom—lead to a harmonious life. These qualities became their standards of “good” behavior. Intemperance, cowardice and thoughtlessness broke down families and communities, and were thus objectively “bad.”

Aristotle took this thinking a bit further. Among all creatures human beings are special. They have a life force called a soul and the ability to reason. People seek to gain honor, pleasure and wealth, and make mistakes of excess—taking their desires too far in some actions—or deficiency—not doing enough to achieve harmony. Virtue—the habits of the will—helps us to seek a “golden mean.” The virtue ranked ahead of all others is wisdom, the joint exercise of our will and our highest human quality, reason.

In the same relative corner of the world and at the same time the people of Israel introduced the Decalogue, or Ten Commandments, a set of standards given by God through them to all humankind. We are to honor God. We are not to steal our neighbor’s goods or spouse. Not to tell the truth is “bad” behavior, while giving support to parents is “good.” Most violations of these Ten Commandments have been branded improper by cultures throughout the world. Many students of ethics also have reasoned that the norms of the Ten Commandments are embedded in human nature, so much so that these norms can be considered a natural law.

Jesus Christ came into a world where both Greek ethical thought and the divinely revealed Ten Commandments were present. And some of what Christ said was a jolt to both Greek and Jewish thinking. Saint Paul wrote that Christ’s views would be considered “foolishness” by the Greek mind, and his actions and words would be shocking and offensive to the people of Israel. Christianity was (and is) a radical turn of spiritual and ethical outlook; according to Jesus neither the rules of the Decalogue nor the highest human thoughts are complete or adequate for salvation, which comes instead by God’s grace through Jesus. To the question asked by the Greeks—“What is the greatest good?”—the Christian

responds “spiritual regeneration”: a redirection of our wills and the redemption of individual persons of all ranks.

This outlook is different from secular perfection and rational enlightenment. Over and above the science, knowledge and virtuous conduct prized by the classical Greeks or the standards of any time stand the virtues of

- faith in and dependence on God
- hope in his promises and mercy
- and above all else love for him and for each other person

These are the norms of Christian ethics. Historians such as Paul Johnson in his book *Modern Times* have noted the inhumane record of human actions of the twentieth century. Persons with decidedly anti-Judeo-Christian ethics like Adolf Hitler, Joseph Stalin, Pol Pot and Mao Zedong murdered millions of people. No prior century can match the “bad” behavior—the unsurpassed brutality—of the twentieth.

Strangely enough, this same time period was one of unparalleled inventiveness. From the standpoint of economic analysis, where trends in the material well-being of persons are points of reference, this murderous century probably set high performance records. New and expanded products, the fruits of investments made in agriculture, engineering and science, and exchange between many regions and nations have improved personal health and longevity in most parts of the world.

That record levels of economic performance have attended to such extensive human atrocities raises questions. Have we possibly paid too little attention to ethics? Would it be wise now in this new century to consider the relationships between economic analysis and our value (ethics) systems? The content of this book moves in that direction.

This book presents ideas and values expressed in the Bible and by Christian thinkers, and then uses these values or standards to interpret topics regularly addressed by economic analysis. A few examples of such topics are (1) economic growth, (2) the payment of interest to lenders and (3) the supply and demand for pornography. Readers are urged and invited to expand their understanding of both Judeo-Christian ethical principles and economic analysis, to consider the what and the why in the choices they make.

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