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Stories Economists Tell: Studies in Christianity and Economics, by John P. Tiemstra

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Stories Economists Tell: Studies in Christianity and Economics
John P. Tiemstra
Eugene, Oregon: Pickwick Publications, 2013 (191 pages)

This volume is a collection of the author's previously published journal articles, spanning a 37-year career of teaching economics at Calvin College, in addition to serving in positions of leadership within both the Association for Social Economics (ASE) and the Association of Christian Economists (ACE). The first part of the book contains five chapters which address the relationship between Christian theology and economic methodology. This section includes a paper, which was originally published in Christian Scholar's Review in the early 1990's, which provides a thorough review of the "Christianity and economics" literature as of 20 years ago, and which is still relevant to contemporary dialogues in this area of inquiry. Two of the other articles in Part I were published 15 years apart in the ACE Bulletin and Faith and Economics, respectively, and are both excellent representations of the author's contention that adherence to the Christian faith should fundamentally shape the methodologies that economists employ in order to analyze and explain human behavior. In particular, Tiemstra embraces what he categorizes as the "dual critique" of neoclassical economics: the impossibility of a truly "value-free" approach to economic analysis, combined with skepticism about the degree of emphasis placed on mathematical models and statistical techniques, to the exclusion of other approaches, such as narrative history and survey evidence. As a response, the author has long been one of the leading advocates of an approach to economic understanding that he characterizes as "Christian heterodoxy," which embodies at least some of the elements of what Tiemstra describes as the "post-modern methodological revolution."

The second part of the book contains four chapters under the heading of government, business, and society, and addresses issues of wealth and poverty, as well as fairness and risk. The first two papers, which consist of an article and extended book review, respectively, focus on the first set of topics. Much of this discussion concentrates on the disagreements which take place among Christians about the specific nature of our responsibilities to the poor, especially with respect to the role of government. A key statement can be found on page 74, where Tiemstra writes that "for Christians, then, poverty is a relative concept. Its definition is dependent on conditions in the society under examination. An absolute definition of poverty . . . does not serve Christian purposes." This statement suggests that the author regards poverty and inequality as virtually identical problems, whereby this reviewer sees them as inherently distinct (though related) concepts. All societies, through their collective decision-making processes, must render a broad judgment with respect to whether they prefer a higher "standard of living" with less equality, or a lower level of material sustenance combined with greater equality. Tiemstra also finds the practice of price discrimination, defined on page 90 as "differences in prices charged to different customers that are not based on differences in the costs of serving those customers," to be largely indefensible on moral and ethical grounds. Leaving aside the particular circumstances that can be found in specific industries (pharmaceuticals, for example), this reviewer finds this position to be quite puzzling, especially since 1) certain forms of price discrimination benefit more

price-sensitive customers, who often have lower incomes, and 2) economic value is best thought of as being subjective (what is someone willing to exchange for a commodity, good, service, or experience?) and not objective (what was the monetary cost of producing same?), in nature. By contrast, the last chapter in this section, which is devoted to the most recent financial crisis and its effects, is a very thoughtful and well-reasoned treatment of the moral and economic dangers of excessive leverage and risk-taking, without going down the path of “all debt is bad, under almost any circumstances” which one occasionally encounters in the Christian community.

The third part of the book contains three chapters which are devoted to environmental issues. The first one applies economic analysis to the issues associated with re-cycling programs, while the second contains a fairly standard treatment of the economic rationale for the existence of environmental problems, and the range of options that are available, in both the public and the private sectors, for responding to them. The third chapter outlines the negative dimensions and social costs of economic growth, and would lend itself very well to a pairing with, for instructional purposes, some sections of Economic Growth: Unleashing the Potential of Human Flourishing, by Edd Noell, Stephen Smith, and Bruce Webb, which was recently published by the American Enterprise Institute as a part of its Values and Capitalism project.

The final section of the book contains three chapters on various aspects of globalization. Taken together, these articles paint a portrait of Tiemstra as a moderate critic of globalization, not as a theoretical concept, but in terms of how some of these trends have actually manifested themselves in practice, particularly with respect to the power and influence of the financial markets. His concerns about what he sees as the gap between the way in which markets are supposed to operate in theory, and how he views certain features of their actual performance, are extended in this section from the national to the global stage. An important summary of Tiemstra’s views on these matters can be found in the last section (“Possibilities for Responsible Global Capitalism”) of the last chapter (“The Social Economics of Globalization”), in which he stresses the following policy and institutional recommendations: 1) Limiting the globalization of financial markets, 2) International agreements on labor, the environment, and diversity, and 3) Moral suasion.

All in all, regardless of particular disagreements regarding economic theory or policy, this book is an excellent representation of the career of a dedicated Christian scholar, who has made a major contribution to the advancement of the Kingdom in the realm of economics.

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