Learning from the History of Economic Philosophy

Part 1 of 2: Stewardship and Economic Philosophy
with Darrell Bock, Greg Forster
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Welcome to The Table where we discuss issues of God and culture, and today we’re continuing our theme in discussion of theology of work, working through the Kern Family Foundation piece on Theology That Works, and they’re having a good play on words with that. And my guest is Greg Forster, who’s Executive Director for the Kern Family Foundation for the Oikonomia Network in the faith and work project. Greg, we’re glad to have you here with us today.

Thanks very much. I’m always glad to be with you.

And we’re looking at what is entitled – well, actually it’s Section 3 of the Theology That Works, and we’re going to be talking about stewardship, dualism, and religious freedom, and really a whole approach to economy that comes out of thinking biblically about the topic. So I’m just going to dive straight in. I’m going to start first with a category that you define in the chapter as the stewardship mindset. What is the stewardship mindset, and how does it relate to the issue of talents and abilities and gifts? How does that help us think about the way we do our work?

Well, I would summarize it by saying stewardship mindset is the sense that we have been equipped with talents, with resources, with relationships, with opportunities, and that we’re responsible to make the best possible use of everything that’s been given to us, whether it’s my ability to do a certain kind of work, or the resources that I’ve been entrusted with. The whole concept of stewardship is that you are both over something and under something.
The Steward is under the Master of the household, but is over the household itself. His job is to take care of the household on behalf of the Master of the household. And that’s why I think stewardship does a really good job of summarizing a Christian understanding of work and economics, because we are under God who is the Master of our household, but we are over the creation order, which includes not only our physical resources or our money, but also the talents that we have as people and the relationships that we have, and the standing that we have in our community. And historically it’s been very rare for human cultures to have a broadly diffused stewardship mindset about your opportunities, your work, your participation in the economy, except where Christianity has brought this mindset that teaches people that all of life is responsible to God. That all people are responsible to God, and all of life for everything that they have and do.

Dr. Darrell Bock

So the biblical roots for this go back to the early chapters of Genesis and the idea that God has put us on earth to be made in His image. We have creative capacity, and we have administrative capacity that we’ve been given over the creation to manage it on God’s behalf. Is that kind of the core metaphor that we’re working with, and the core theological grounding that we’re working with?

Greg Forster

Yes. You know, when I talk to theologians and pastors about this, they constantly go back to Genesis 1 and 2 as the source of this whole conception, and then it carries forward from there. It’s not only there. You can really see it in the whole Christian view. You can see it in the Christian history. You can see it in the rest of the Bible all the way through to the other bookend of the Bible.

But you know, a personal example to show what I’m talking about. Back in December of last year my daughter went in for surgery, and they asked me to sign a piece of paper saying that they would be allowed to do whatever they wanted, and I would basically give them permission to do that. And I thought, well what is it that makes it possible for me to sign this piece of paper in good conscience, and turn over my daughter to someone else, and basically give them permission to cut into her body and do whatever they think ought to be done? And it’s not that there’s a malpractice law that says that if they do something wrong I can sue them. That’s good. You know, I’m all for having you know, law and systems of justice, but that’s not really adequate. That’s not an adequate protection.
What I’m trusting is that the people in that operating theater are going to do what’s right for my daughter. Not what will protect them, or what will make money for the hospital. And I met the people who are going to do that surgery, so I was confident that they would prioritize doing the right thing to take care of my daughter. That’s the stewardship mindset. A sense of responsibility to do what’s right with all of our opportunities and talents. And to be productive and put them to good use, and not simply squander them or use them for our own advantage.

And I think it’s the biblical idea that human beings were created for that kind of management of the creation order for the glory of God that stands behind that kind of culture, even if people don’t know that that’s where it comes from.

Dr. Darrell Bock

So not only is there a stewardship element in exercising a role that you’ve been given responsibly, but there’s also a service element to this about providing a service in a way that does – I’m going to use church language, that ministers to people. And I’m using church language on purpose because part of what the conversation about faith and work and theology of work is getting at is it’s attacking the idea of a dualism. Of a materialism that says what only matters is what I can get my hands around. What only matters is viewing the economy for the means that it gives me to earn a living, to put money in my pocket. Not that there’s necessarily anything bad about that, but that’s not the only reason we work.

So this service element and this ministry element is a part of the depth of being a human being. Is that a fair way to say it?

Greg Forster

Absolutely. Let me give you an example of that. I teach the new member class at my church, and we have this concept that human beings were made to be stewards over the world is one of the first things we talk about. So in the class we were talking through Genesis 1 and 2, and looking at what God made human beings to do. And I talked about how we’re made to serve each other. We’re made to serve human needs with our work and with everything that we do.
One of the people in the class said, well, if everybody did that, then in addition to serving, we would all be served. Right? I said yes, absolutely. Your neighbor would serve you and you would serve your neighbor, and we’d all be serving one another. And he looked at me, and he had this really sort of confused look on his face like he was just grasping this for the first time. And he said – these are his exact words – he said, well, if everybody did that, that would be a utopia! I said yes. Yes. That’s the concept here. That if I focus on serving my neighbor instead of being served by my neighbor, but my neighbor does that, too, we all serve one another and everybody’s needs can be much more well met. And that essentially this is a picture of what the original plan was and of what’s going to be restored.

Dr. Darrell Bock

So obviously a stewardship mindset is not just an intellectual concept or a category, but what we’re talking about here is a way of being oriented to life in a way that reflects the way life was designed to be lived.

Greg Forster

Absolutely. There’s a deep story that stands behind this mindset, and part of the challenge we face is that you cannot go out into a human culture and simply hit people over the head to serve each other with a sort of moralistic, legalistic, you’ve got to serve each other. You need to give people a story of the meaning of life that makes this make sense, and that will speak to what gives people meaning in their lives and what will satisfy their spiritual longings.

You’ve heard me talk about this before. That people have spiritual longings. And as Christians we know where that comes from. If we want any kind of cultural message to make sense and be internalized, we’ve got to speak to those spiritual longings people have. And that doesn’t mean we abandon our Christian distinctives, but it does mean we have to make some connection between what we’re saying and where people are in a fallen world where they’re starting in a broken place. They’re starting in a broken place, but they’re still made in the image of God. They’re still made for this kind of life. And we have to have a story of the meaning of life where this all makes sense.
Okay. So if there’s a point of view that says that stewardship and our work and the economy kind of all fit together as part of a life story of doing business in the world – and I’m having fun with words again – then let’s talk about kind of an alternative model that exists that I actually think is where many people are. And that is that what is called the dualistic mindset. Where did the dualistic mindset come from? And why is it potentially damaging when you think about the area of the theology of economics and work?

Well, to answer your first question, where does a dualistic mindset come from, I think you might find something in Genesis 3 in regard to that, but I’ll sober up a little bit on that. What I call a dualistic mindset is the idea that you can separate life into a sphere of activity that deals with material things and a sphere of activity that deals with spiritual things. That the activities that we go through in society can be divided so that you have one set of them that deals with the material stuff, and other activities that deal with spiritual or moral stuff.

And we see examples of this throughout history. This as I argue in the paper, this is the default mode for human culture going back as far as we can see in human history, except where Christianity has had enough of an influence to put something else on the table. This is where cultures seem to start. That we need a division of labor that says there are people who work – excuse me, to take care of our physical needs and to deal with the money and stuff. Money and stuff is what they deal with. And then there’s a separate set of people who do a different kind of work which is sometimes not even referred to as work because it’s embarrassing to call it work in this dualistic mindset. Work is for the body people, the material people. Right? Work is what the slaves in the fields do you know, in an ancient agricultural economy. Work is what the slaves in the fields do growing our crops and that kind of thing. So you have this concept in Aristotle of the leisure class. They don’t do work, but instead they do all these activities that provide higher meaning to human culture. So the political leaders, the religious leaders, the artistic leaders, the military leaders, sort of these elite classes of people whose job is to provide meaning and to take care of the things that deal with meaning, and justice, and the truth, and beauty, that’s a totally different kind of activity from what people who deal with money and stuff do.
So this dualistic mindset essentially means that the large majority of the human race, in ancient culture you’d be talking about 98% of the population, are consigned to this materialistic understanding of life where the message of the culture is what you do has no moral or spiritual significance. You’re just here to keep the system of money and stuff moving. And if you want higher meaning, you’ve got to go to these other people who do these other things. They’re the ones who are going to take care of that.

And it’s extremely dehumanizing. It treats that 98% of the human population essentially as cogs in a big machine. Aristotle says that anyone who works for a living is a tool. Is not fully human. Not a full human being. Because a person who works for a living cannot cultivate his moral capacities, learn to practice virtues in a fuller way. He’s willing to admit that they have a few sort of virtues that they learn in the course of their work, but most of the real virtues they don’t have an opportunity to develop because they’re too busy working. So he describes them as tools in the hands of that 2% who do the spiritual stuff, and that those are the real human beings. That’s the real development of human nature.

So this dualistic mindset creates a culture in which most people are not really treated as fully human, and it is accepted as normal that you have this kind of dichotomy with a hierarchy where the people doing the meeting stuff are on top and the people doing the material stuff are on the bottom.

**Dr. Darrell Bock** Yeah, some people could argue that not only do we live in a culture that tends to think this way, but also that even the way our wage scales are structured reinforce it. That the people who do the thinking at the top of the ladder, you know, get the credit, and the people who do the stuff of work tend to earn less. So we reinforce this in a whole lot of different ways, don’t we?

**Greg Forster** I think that that does tend to be – that’s the tendency we fall into. I think the key thing is not to allow human dignity to be assigned according to monetary value. It’s part of the dualistic mindset to attribute on the one hand – to view the economy as running on money. That money is what really matters to the economy. So if you begin with a dualistic mindset and you look at an economy where one person makes $1 million and another person makes $1,000, you’re going to say well, that economy is giving 1,000 times more human dignity to the person who makes $1 million.
But a stewardship mindset, it begins with saying human dignity is not about how much money you make. Human dignity is not about whether you do work that’s worth $1 million or work that’s worth $1,000, or however much you’re making. And I agree with the concern that we want everyone, and not just the people at the top, to do as well as possible. We have a concern for the flourishing of all people. And I think as Christians we must have a special concern for those who are the least well off. For the people who are struggling the most. But if we begin by thinking that money is the only thing that matters, and unfortunately that is where we tend to start, we’re going to pursue solutions to that problem that are not going to be aligned either with a moral approach or to be effective.

I think that what we need is to respect the human dignity of all people, regardless of how much they make. And that begins with a culture that says money’s not the most important thing that there is in the world.

**Dr. Darrell Bock**

Okay, well now what I’m going to do, and I’m going to issue kind of a warning, we’re going to enter the more academic part of this discussion. I’m going to drop some names across history, and Greg’s going to help us see where they fit kind of on the map of thinking through economics and work, and what they brought to the table to help us think through this area.

So the first two names I’m going to do as a pair. Albertus Magnus and Thomas Aquinas. Not names that normally float off the lips of people in everyday speech on a regular basis. So what contributions do they make to our story?

**Greg Forster**

Well, the emergence of the modern economy goes a long way back before the industrial revolution, which is where we usually start looking at the emergence of the modern economy. If you go back after the rise of Christianity in the western world, we assimilated to a large extent many of these dualistic mindsets. We sort of took over the Greco-Roman culture and in many ways we kept some of the dualistic assumptions of Greco-Roman culture.

**Dr. Darrell Bock**

So Western culture is kind of this fusion between some Greco-Roman ideas that we get through Greco-Roman philosophy and literature, and Judeo-Christian values.
Dr. Darrell Bock: What kind of confession is this?

Greg Forster: We don’t know – well, we don’t know what kind of penitence to assign because we don’t understand the moral violation. Help us out here. So the great theologians in the age began to think about well, why is it? To think in a deeper way. You know, what is money? What is commerce?

So Albertus Magnus, who was the teacher of Thomas Aquinas and is mostly remembered for that, developed an approach to price structure and markets that was really the beginning of modern economic thought. It’s the forerunner of modern economic thought, because he began to show that economic value is not something you can calculate. It’s contingent on the person. So a barrel of wine might be worth more to me than it is to you because I need it more. Or I’m able to appreciate it better. Or you know, anything. A cart or an animal might be worth more to me than it is to you.
So the whole concept of just price. We have this mythology that in the middle ages they had a just price theory. That there was an objective price for everything. Actually Albertus Magnus was showing that wasn’t the case way back in the high middle ages.

So what Albertus said was the just price is the price that prevails in a market where people are treated fairly. Where people have the right to buy and sell and there are multiple providers, and nobody’s excluded from the market by injustice, and that kind of thing. That prices should flow according to market demand.

And then Thomas Aquinas picks this up and says it in his Summa Theologica. Sort of begins to develop a systematic understanding of work, property, prices, and markets that is the forerunner of modern economics. And then later in the middle ages as these questions continue to be wrestled with, because Albertus and Aquinas were not ready to go back on the prohibition on lending money, they were still supporting that, but they were really struggling to figure out how that could be squared with what they were learning about markets. So they continued, the theologians, continued to wrestle with this.

In Spain they actually founded a whole school of theologians called the Salamanca school which just existed to investigate money, and to develop a theology of money. And the early modern economic thought that we begin to look at when we look at the history of economics, drew heavily on the work of the Salamanca school. Tracing step by step of the intellectual issues that ultimately led to the modern view that lending money at interest in the context of business and a market economy is really not the same kind of thing as it was in an ancient economy because of the presence of things like economic growth that makes the context different. Things work differently.

So this theological development really laid the groundwork for the emergence of modern economics.

Dr. Darrell Bock  Now in the background the other part that’s important to the story that we’ve been telling is, is that both Magnus and Aquinas were not dualists. They were doing this out of a moral base I take it, and looking for the concept of what is just and right in doing business. Am I reading that right?
Oh, absolutely. In fact, they would not even have had a concept of what we call economics. Instead what they thought they were doing was moral philosophy. It was all classified as moral philosophy. The whole concept of economics as a field emerges later from things like the Salamanca school specializing in this subset of moral philosophy. This is what eventually led to the creation of economics as a separate discipline because it was clear that we had this moral philosophy that had to happen. And economics as a discipline continued to have core moral elements all the way up to the late 19th Century.

So for example, in the late 19th Century economists continued to distinguish between productive work and unproductive activity—productive activity and unproductive activity. So for example, gambling was analyzed differently from making machine parts. Because making machine parts was understood to be economically productive, and gambling was understood to be unproductive.

And you had this conceptual framework that said there is a purpose to economic activity, and some of the things we’re looking at are forwarding this purpose and other things we’re looking at are not forwarding this purpose. And it was assumed that things would work differently if you were not being productive than if you were being productive. And that all got thrown out the window and the discipline of economics has suffered, unfortunately, because of that.

I think most people, if you ask them where the discipline of economics belongs, they’d put you in a business school and think it has absolutely nothing to do with philosophy. So it’s interesting that economics actually comes out of the development of trying to ask questions about the proper use of money and the way people relate to money.
Absolutely. And as a social scientst, I have to say that’s not an uncommon story. Many of our disciplines in the modern academy have their origin in Christian thought, in either theology or moral philosophy, and simply branched out as specializations of moral philosophy or that kind of thing, but subsequently became detached from the study of theology and moral philosophy and have largely suffered for that. And depending on what discipline you look at, there are movements to reconnect with moral foundations in many of these disciplines. And I’m happy to say that economics is one of the disciplines where there’s increasing attention to sort of the moral presuppositions that have to be made before you can do economic analysis.

That’s not very widespread yet, but there are some people doing very encouraging work, and I think it’s only going to grow.

Well, that’s interesting. Well, we’re on our little historical journey here, and for those of you who want a degree in economics as a result of this podcast, you can apply to the seminary after we’re done. I’m going to go through some more names here that impact the story. Let’s talk about Adam Smith. What does he bring to the table in terms of the development of this history? Because I take it we’ve moved beyond the Salamanca school and we’re now beginning to shift our direction.

Yes, and I think Adam Smith does not do a whole lot of original work. What Adam Smith primarily does is take the results of the Salamanca school and then subsequently reformed and Protestant oriented intellectuals, take their moral philosophy of economics and translate it into the idiom of enlightenment science that was emerging at the time. And there is a clear undercurrent of moral philosophy in Adam Smith, but it is in Adam Smith’s work is the moral philosophy is becoming thinner and more detached from the economic analysis.

You know, I’ve heard a lot of people make the point Adam Smith was a moral philosopher and he wrote this book about moral philosophy before he wrote his economics. Well, that’s true. Unfortunately, he wasn’t much of a moral philosopher. In my view he wasn’t a very good moral philosopher. So he benefited the discipline of economics by translating economic analysis into this scientific idiom, which I think produced a number of benefits.
You know, I’m a social scientist and I think science is valuable. Unfortunately, he also began a process of detaching economics from the deeper moral roots that it used to have. There is an assumption running through Adam Smith’s works that the world of human activity essentially runs fairly well by itself. There’s a naturalism to it. An assumption that human social systems are relatively stable over time as long as they’re left alone. And that’s a naturalistic assumption that Christian theology would have challenged because of our doctrine of the fall.

We understand that there’s nothing that tends to naturally go right in human social systems. What you see in Adam Smith is some of these bedrock moral commitments like people should serve each other with their work, people should work diligently at what they’re doing, people should have a sense of calling about their work. Many of these commitments are unfortunately just sort of taken for granted as natural to human beings. Rather than the hard won legacy of literally centuries of Christian presence and influence in the culture teaching people to think this way about their work.

**Dr. Darrell Bock**

So the effect of what Adam Smith did is he began this road back to the dualism to a certain extent? And he also introduced concepts that favored a more Laissez-faire approach to business and letting things run on their own in their own kind of natural way? Would those be two of the contributions that he made?

**Greg Forster**

Let me take those one at a time. First of all, yes. He’s moving us back towards the dualistic approach because his naturalism lends itself to a separation of work dealing with material things from spiritual activity.

So as an example of that, if you ask professional economists who are familiar with Adam Smith what’s wrong with Adam Smith? You know, what did he get wrong that modern economics knows is not right? Usually the first thing they’ll point to is that he thought that the economic value of work could be measured simply by how much effort, how much physical effort, how much strain was necessary.
I have a friend who’s an economist who said that Adam Smith thought you could measure work in beads of sweat. So the fallacy here is to think that economic value comes from a physical activity. Whereas the creativity of human beings can never be reduced merely to their physical activity. So that’s kind of the door through which dualism reentered.

I think it’s true to some extent that Adam Smith advocates a Laissez-faire approach to economics. I think that may have been exaggerated a little bit.

So for example, Adam Smith thinks that children should be educated. He’s concerned about education. He talks about the need to support what he calls the dignity of the state. And what he means by the dignity of the state I think would be a sort of presence of cultural values that are not merely economic in the political system, and he’s okay with governments spending money and making laws that assume that all of life is not economics. So the Laissez-fairness, if I may put it that way, of Adam Smith is I think somewhat exaggerated.

Now it’s certainly true that he stood against something called mercantilism which was the idea that government should directly manipulate participation in the market in order to accumulate more stuff for one country for itself at the expense of other countries. The mercantilist policies of the time were focused on restricting trade, restricting entry into markets, and manipulating commodities in order to try an accumulate as much stuff in England as possible, and extract it from other countries. And Smith was against that because he thought we will all be better off in the long run if government does not limit who is allowed to participate in the market and who is allowed to buy and sell on that kind of basis.

We’ll all be better off because instead of saying how can we get our hands on France’s stuff, and how can we get our hands on the Netherlands’ stuff, we should instead be asking what can we do that the French would want to buy? What can we make that the French would want to buy? Or what can we make that the Dutch would want to buy? And if we focus on that generative creative activity, we’ll be enriching the French and the Dutch, but we’ll get richer, too. So that’s the fundamental aspect of this thought that I think leads people to see that in his work.
Dr. Darrell Bock  Now he is generally regarded, is he not, as kind of the father of modern economic discussion? Would that be also another fair way to characterize his work?

Greg Forster  Yes. Histories of the discipline of economics typically begin with Smith. You can look further back and find people talking about economics in a more enlightenment philosophy idiom, a more sort of enlightenment science idiom, but Adam Smith is kind of the figure people start with. Which is why I like to emphasize how Smith was drawing extensively on earlier Christian thought.