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"I ONLY CARE *about the* MORAL ISSUES"

Can somebody name for me one area of our lives that has nothing to do with economics?"

With this question, a hush fell upon the room inside the retreat center. For a moment the only thing to be heard was the sound of a babbling brook traveling through the open window—a very common sound for rural northwestern Connecticut in the summertime. The speaker, an economist from Auburn University, had just finished leading the group of thirty or so graduate students in a "let's go around the room and introduce ourselves" exercise and was now homing in on what would be a central topic for the meeting.

It was the summer of 1996. I (Austin) was one of those graduate students —from across the United States and Canada, and from among multiple academic fields—who had been invited to gather at this private, low-key event with some writers and university professors, to discuss the rather abstract concept of "human liberty." I was excited to be at the conference and was eager to learn. But I had no idea where this little three-day weekend was going to lead.

I was silently contemplating an answer to the professor's question, *Was there any area of my life that had nothing to do with economics?* when a student named Hubbard spoke up.

Hubbard had just introduced himself to the group moments before, as we all had done. He had explained that he was working toward a master's degree at a theological seminary in Louisville, Kentucky. And while he had indicated that his first name was indeed Hubbard, he had also successfully moved the entire group past the awkwardness of being in a room full of strangers, and had even gotten us all to smile and laugh and applaud for him just a bit, when he told us in his charming Southern accent, "Y'all can just call me Hub." And now Hub was answering the first, big, deep question of the day.

"As a Christian," he said looking at the professor, "I believe that my eternal salvation has nothing to do with economics."

"Okay," the professor responded. "Let's assume that you're right about that, Hub. And let's assume that what is true for Hub is true for everyone; that there is, indeed, an 'afterlife,' and that one's ultimate destination in the afterlife has nothing to do with economics. Now, having said that, can somebody name for me a second area of our lives that has nothing to do with economics?" The room got real quiet again. "My friends," the professor said after several seconds of dead silence, "let me suggest to you that there is no other area of our existence that has nothing to do with economics. Every facet of our earthly lives is impacted on some level by both economic activity, and economic conditions."

Thus began a three-day "seminar" several years ago, when a handful of graduate students gathered together to talk about some weighty ideas. That weekend, and the question that kicked off that weekend, are at least partly responsible for your authors collaborating several years later and producing the book that you're reading right now.

So how would you answer the professor's question? Do you agree with his conclusion? Have you ever been asked this question, or contemplated it yourself? Can you specify an area of your life that is *not* impacted in any way by economics—the production, distribution, and consumption of goods and services? Or do you believe that certain elements of your existence are simply going to be what they're going to be—either by the twist of fate, or by your

own choosing, or by the hand of God, or a combination of all three—and economic conditions simply don't change anything?

Most people would agree that, in a broad sense, economic conditions matter profoundly. They can impact the destiny of nations, the presence and duration of peace, the outcomes of wars, the relative stability of societies, and the well-being of future generations. But when it comes to questions about how economics can impact the private aspects of our lives, the answers are frequently not so obvious. Can the issue of economics influence one's commitments to a spouse, or to children, or to other family members? Does the issue impact the way a person functions in their community, or how one serves the less fortunate?

Some people are troubled by the suggestion that economic conditions can impact their role as a husband, wife, mom, or dad. But be honest and ask yourself: Is it ever more difficult to be the kind of spouse or parent that one aspires to be, when the economy is slow and personal finances are scarce? And—here's a tough one—when finances are plentiful, can the enjoyment of material goods enable a person to avoid or neglect other important areas of their relationships? And a final question, one some people find even more difficult to ponder: Can economics impact one's relationship with their God?

We respect the point that Hub made about his Christian faith and the issue of eternal salvation. But we also realize that there is more to a person's spiritual life than his or her eternal destiny. Life on this side of eternity matters as well, and economics has a great deal to do with life on this side. It's interesting to note that in the Bible, Jesus Himself had far more to say about money and economics than He did about eternity.

To this end, we think it's worthwhile to consider how living in either an environment of scarcity or plenty, or under one economic system or another, can impact one's faith in a benevolent, all-good God.

Just as the economist said to the students at the conference, we believe that *"every facet of our earthly lives is impacted on some level by both economic activity, and economic conditions."* The economy affects individuals and families and entire societies, and it affects both the way a person engages in the world around them, as well as a person's private life.

But what are we to make of the morality of economics? Should economics be regarded as a "moral issue" at all? Economic systems and policies are, in part, an expression of how a society regards both its weakest and most powerful members, and all those in between; they often play a key role in determining who "wins" and who "loses" in a society; and they can both encourage and discourage positive, productive behavior among the citizenry. Over the course of history, some societies have chosen economic systems that have helped a large percentage of its citizens to enjoy social and economic success. Other societies have utilized economic systems that have caused the few to flourish while the many were trampled upon.

Although this book is about the philosophical and moral underpinnings of capitalism, we also must acknowledge that capitalism itself, as well as other types of economic systems, is enabled in part by certain types of governmental and political structures. And while we are not writing about politics, per se, we nonetheless need to discuss to some degree the types of political structures and environments that have been necessary for the various types of economic systems to exist. We'll do this in more detail in chapter 8. For now we acknowledge that economics, much like politics, requires us to answer the question *"How shall we order our lives together?"* This question is, fundamentally, a moral one. And for this reason, it is perplexing that one of the most influential political movements in recent history—a movement that by its own definition has been devoted to bringing "moral issues" to light in American politics—has had very little to say, if anything, about economics. This is the faith-based-voters movement, and we will examine its social and political involvement during the past three decades.

SO WHAT ARE THE "MORAL ISSUES" AND WHO IS FOCUSED ON THEM?

Regardless of their political leanings, whether liberal or conservative, left-leaning or right-leaning, a huge number of Americans identify their "core moral convictions" as the chief motivator for them to let their voices be heard in American politics. Perhaps you would say this about yourself as well. Often those moral convictions are derived from their commitments to a faith tradi-

tion, and they are most compelled to participate in the American political process when certain moral issues—usually a select few issues having to do with their core values—are weighing in the balance.

To be clear, we are not assuming here that all religious Americans are seeking to advance their personal "moral values" in the public arena. We recognize that there have always been some Americans who argue that moral beliefs are inherently private matters, and that these matters don't belong in policy debates. Similarly, we are aware that at present a growing number of Americans —many of them religious—are becoming increasingly disillusioned with the idea of voicing their moral concerns in the political arena. We respect those who view moral issues in this way, although we maintain that public policy entails moral concerns—and ultimately, public policy impacts everyone.

Having said that, we recognize that many Americans care deeply about the moral aspects of public policy, are informed and motivated by their faith, and desire that their voices be heard in the political process. One of the largest and most influential of these categories is what we will be referring to as faith-based individuals and groups. We focus on them because we know them well and they are a good example of the point we are making in this chapter, not because they are the only group who cares about public morality.

According to research from the Pew Forum on Religion and Public Life, 70 percent of American adults identify with evangelical Protestant Christianity, "mainline denominational" Protestant Christianity, Catholicism, Orthodox Judaism, or Mormonism. Since many members of these religious groups share common, strongly held beliefs and values, it is not surprising that over the past several decades they have often exhibited similar responses to public policy concerns amid America's changing cultural landscape.[1] Again, we are not suggesting that they are the only people among the American electorate with a moral conscience, or who vote according to their core moral convictions. Obviously, many Americans regard voting in our nation's elections as both a responsibility and a privilege, and their moral convictions play a profound part in the selections they make on a ballot. Additionally, people of great faith, good intentions, and moral conviction reside on both the conservative political right and on the liberal political left, and at varying times and in varying

proportions they have aligned with both the Democratic and Republican political parties. Our focus on faith-based voters is simply one effective example to illustrate our perplexity that economics is not widely regarded as a moral issue.

From our observations, faith-based voters have by their own definition focused almost exclusively on a few key moral issues confronting our nation, while at times ignoring other public policy concerns that they do not perceive as moral issues. And this is the central dilemma that we are getting at: Because economics has not been adequately defined as a "moral issue" by these faith-based groups, far too many faith-based voters have too often ignored economic issues. In other instances, they have been ambivalent about the various choices that confront them in the arena of economic policy.

We remain intrigued with the influence of the faith-based voters movement and its ability to motivate people to action over their concern for moral issues. In a moment we'll consider where this movement may be heading, and why economics and an accurate view of capitalism need to be at the movement's center. But first let's consider how this focus on "moral issues" among faith-based voters got started in the first place.

THE EARLY YEARS

Since the time of America's founding, moral questioning, reasoning, and argumentation have remained a part of the nation's public policy debates. Not only that, but moral dialogue has also been at the epicenter of some of our nation's biggest public policy developments. The eradication of slavery, the emergence of the New Deal, the civil rights movement, and the nation's engagement in the Vietnam War all come to mind; at times, this dialogue has entailed explicitly religious tones and themes. As such, the reality of moral and religious ideas impacting our government is not new.

The beginnings of what we know today as the modern faith-based political movement can be traced back to the late 1960s. After having been quite disengaged from politics for a number of years, and without much in the way of formal organization, millions of American Christians—at that time mostly white, middle-class, Protestant and evangelical Christians—were becoming

increasingly alarmed at the current-day cultural trends and growing civil unrest of the late 1960s and early 1970s.

The challenges to marriage and Judeo-Christian sexual norms posed by the so-called "sexual revolution"; the youthful rebellion against societal authority structures brought about by the growing "hippie" culture; and the Vietnam War protests by many American youth who thought it was something less than "honorable" to fight on behalf of the country—all these developments proved to be sufficiently unnerving to these millions of Americans.

In the midst of this cultural upheaval U.S. President Richard Nixon delivered an important address to the nation on November 3, 1969. During the address, Nixon made reference to a so-called silent majority of Americans—people who supposedly agreed with him on issues of culture, "law and order," and the war, even though their views of such things may largely have gone unnoticed. In using the "silent majority" phrase, Nixon sought to awaken politically this large number of Americans who did not participate in public discourse, who did not have a voice in American media, who often did not vote, and who did not publicly "demonstrate" on behalf of causes they believed in. Yet this sector of American society was nonetheless very real and very frustrated by what they believed was a degradation of America and its institutions.

Some people believed that the use of the "silent majority" phrase was nothing more than the president "playing politics" and creating a theme for his reelection campaign (and doing so very early in his first term). Others took offense to the terminology, claiming that with the phrase "silent majority," the president was dismissing the "voices of dissent"—the "vocal minority," if you will—who dared to speak out against their government and oppose the Vietnam War.

But regardless of how the president's words were interpreted at the time, there's no disputing that Nixon's efforts to reach out to the "silent majority" in a time of cultural chaos changed the electoral dynamics in America. And three years after uttering those words for the first time and introducing the theme of the silent majority (combined with another three years of war protests and social upheaval), Nixon won the hearts and minds of a majority

of both Republicans and Democrats with a forty-nine-state electoral college landslide in the 1972 presidential election.

FROM "SILENT MAJORITY" TO "MORAL MAJORITY" TO THE WHITE HOUSE

Nixon began his second term as president on January 20, 1973, although he would only last in office another nineteen months. In August 1974 he became the only U.S. president to resign from office, when faced with the near certainty of impeachment for his role in the Watergate scandal. Still, the cultural upheaval of the time, and Nixon's response to it, had politically awakened a portion of the American population in a way that would mark American politics for decades to come, and that would eventually give rise to what we think of today as faith-based voters.

The formation of this new political force actually was further strengthened two days after Nixon's second term began. On January 22, 1973, the United States Supreme Court rendered its now famous *Roe v. Wade* decision, which determined that a mother may abort the life of her child in the womb for any reason, up until the "point at which the fetus becomes 'viable.'" As to what was meant by "viable," the court defined this as "potentially able to live outside the mother's womb, albeit with artificial aid." While four years earlier it seemed to many that America and its institutions were being degraded, now it appeared to many that the very definition of human life itself was also being compromised.

Over the next few years, many Americans began to view the United States as a nation in moral decline as a president had resigned his office, South Vietnam was lost, the beginning of human life was called into question by the Supreme Court, and the value of marriage was being downplayed by the now-blossoming feminist movement.

The 1976 election of Jimmy Carter as president marked a bit of a turning point for the many Americans who were distraught over the nation's course. This was especially true for the nation's many evangelical Christians, as Carter himself was the first self-professed evangelical to ascend to the office. Carter, a Democrat, appealed to many faith-based voters, and his election symbol-

ized the tremendous political power that could be wielded by people of faith traditions who shared similar cultural views, when, in fact, they actually voted. During Carter's presidency this faith-based political influence became more officially organized, with the founding of the groups Christian Voice, Sojourners, and later the Moral Majority.

THE REPUBLICAN APPEAL TO THE FAITH COMMUNITY

Similarly, it was no surprise when, in the face of Carter's election, and the growing political influence of faith-based voters, the Republican party made a powerful appeal for their votes. Challenging President Carter in the 1980 election, Ronald Reagan successfully swayed a majority of faith-based groups and individuals to the "right" side of the political aisle, with both a pledged commitment to "moral values," yet also with a promise of a stronger, more robust foreign policy, and greater American influence around the world, as well.

During the course of Reagan's two-term presidency, and the one term of President George H. W. Bush, religious faith-based advocacy groups sprang up in significant number, most (but not all) of which leaned to the political right. The groundbreaking Moral Majority organization officially folded in 1989, but other groups like the Family Research Council, the Christian Coalition, Concerned Women for America, and Focus on the Family hit their stride, finding large audiences and gaining tremendous political influence. Not surprisingly, given the beginnings of this movement during the social upheaval of the Nixon era, groups of this sort that "leaned right" got in the habit of collectively referring to themselves as being a part of the "pro-family movement," and identified abortion, poverty, parental rights, children's sex education, combating pornography, and the definition of marriage as moral issues. At the same time, groups that tended more toward the political left, such as the Sojourners and other groups emerging from mainline denominations, arose in part to challenge the view of morality expressed by what has been known as the religious right.

THE "MORAL ISSUE" BEGGING FOR ATTENTION

Today, many faith-based individuals and groups face dramatic new challenges amid America's changing cultural and political landscape. They have added embryonic stem cell research and the definition of marriage as subjects worthy of the care and attention of America's faith-based voters and extended the issue of the value of the unborn. On these final two issues (definition of marriage and the sanctity of life in the womb), President Barack Obama and members of his administration seemingly take an opposing viewpoint at nearly every turn. Yet, with respect to other important moral issues, including caring for the poor, availability of health care, and protection of the environment, left-leaning faith-based voters may feel as though this current era is one of tremendous opportunity and advancement.

In the midst of the current public policy landscape, the response from both left-leaning and right-leaning Americans who purport to care about the moral issues lacks substantive thought on domestic economic issues. For example, faith-based Americans on the "right" continue to articulate their moral concerns about life in the womb, parental rights, and the definition of marriage. Yet, they have been criticized for ignoring the needs of the poor, and for paying no attention to the need to properly care for the environment—and both of these issues have much to do with economics.

Meanwhile, faith-based Americans on the left frequently seem pleased with the government's plans for universal health care, mortgage retention assistance, "green energy" strategies, environmental protections, and universal college education. They applaud policy efforts on immigration, health care, and education in terms of "caring for the poor," and describe governmental efforts toward environmental protection in terms that are reflective of the story of creation in the book of Genesis. Yet these Americans rarely express the same level of moral concern over the staggering levels of debt that the U.S. federal government is accruing as a result of some of these new initiatives, and they seem to be lacking concern over the increasing entanglement of government with private business, and the loss of personal freedom that ensues from such entanglements.

Thus, while faith-based groups and individuals remain mostly silent on

the moral issues of economics, moral reflections on economic policy instead emanate from distinctly nonreligious groups and institutions.[2] For example, most moral critiques of economic globalization are entirely secular in nature, and most reflect negatively on the phenomenon of globalization.

We were impressed by a particular example of a secular institution offering a moral critique of the economy while faith-based groups remained silent. It happened to be the same week that a "G20 Summit" was underway in London. During that week in March 2009 the *London Telegraph* newspaper published a striking editorial entitled "G20 Summit Must Make the Moral Case for Capitalism." The editorial and the summit itself should have been a kind of "call to arms" for those who care about capitalism, and the morality of economic policy generally. Yet the *Telegraph* editorial seemed to provide a "lone voice" amid most of the reporting and editorializing on the summit.

As a radio talk show host and columnist, I (Austin) covered the last presidential campaign cycle, and the historic election of Barack Obama, in tremendous detail. I watched and listened as Republican John McCain sought to blame the October 2008 stock market crash entirely on "corporate greed," and as Democrat Barack Obama promised to raise taxes on "rich Americans" and give all "the rest of us" a tax cut. I also frequently spoke with callers to my talk shows, many of whom wanted to talk about the candidates' stances on abortion, the environment, the definition of marriage, and health-care distribution. With these callers, I would often try to probe economic questions, asking things like, "Do you think Senator Obama's plan to raise taxes on wealthier Americans is fair?" or "Do you think John McCain is right? Is the downturn all because of greed on Wall Street?" Over and over, I received essentially the same response to my question: "I only care about the moral issues"—as though the economic issues were morally neutral, or of little moral significance.

America is now in the midst of an economic policy revolution. Faith-based individuals and groups can no longer afford to sit on the sidelines and pretend that economics is *not* a moral issue. Nor can they assume that the various economic systems in the world are all morally equivalent with one another. Given the severe mismanagement of private sector financial markets, and the global

economic turmoil and the loss of confidence in American-styled capitalism that has resulted, the need for sound, moral understanding of the economy is as great as it ever has been.

CHARTING THE COURSE

Despite its flaws, failures, and imperfections, capitalism remains the most moral choice among the world's economic systems. Not only do we believe that it is the preferred choice, we also believe that capitalism is most consistent with a Judeo-Christian view of the world. It also best honors the human person, and is the way in which we can most productively order our lives together. So beginning in chapter 2, we'll take a look at what the Judeo-Christian tradition—mostly through the lens of the Bible—has to say about economics, and demonstrate the consistencies between the Bible and capitalist principles.

Let's chart the course for the other chapters as well. In chapter 3, "Ancient Virtues in the Modern Marketplace," we'll look at how capitalism both requires and helps to sustain essential types of moral goodness and virtue. We'll take a brief look at what the world was like before modern capitalism, and then consider how capitalism has improved the human condition. But we'll also see that, while capitalism contributes to our collective reservoir of virtues and moral goodness, it also requires that we all choose to behave virtuously in order for it to be sustained.

Of course, we live in an era of growing doubts about capitalism. So in chapter 4 we'll take on some of the most common criticisms of capitalism. We freely admit that capitalism is far from perfect and will examine some of the negative claims made about it—that it is "based on greed," it instigates "materialism" and "consumerism," and so forth. We'll provide an honest and thorough response to each of them. As we will demonstrate, some of the criticisms are valid. Yet some other criticisms are based on faulty assumptions about economics, or in some cases, faulty assumptions about Judeo-Christian teaching, and about ethics, generally.

In chapter 5, we'll ponder the question "Did Capitalism Fail?" Given the hardship that resulted from the "Great Recession" of the early twenty-first century, many people claim that capitalism has failed, and still others say that

capitalism is an idea whose time has come and gone. But as we'll see, capitalism has not failed; the global financial system did, but not capitalism as a whole. We'll further argue that at least some of the causes of the late 2000s' downturn had to do with government, not capitalism. That is, unintended consequences of government intervention in the market along with short-sighted public policy created the conditions in which greed flourished.

From there, we'll examine the ongoing shift in economic public policy that is underway in America as a response to the recent recession. In chapter 6, we'll make the case that the desire for more government controls over the economy is understandable, but not necessarily helpful. We'll also demonstrate how some of government's best attempts to "fix" financial problems actually exacerbate them.

In chapter 7, we'll address "Corporate Greed and the Politics of Envy." In this chapter, we'll demonstrate how genuine greed seems to have brought down the financial sector. We'll also see how this bad behavior often begets really bad public policy from politicians and policy makers who are, quite naturally, eager to intervene in the private economy and attempt to "help."

Finally, we'll examine the limits on the market. Chapter 8 reminds us capitalism can't do it all. While we believe that capitalism has the ability to transform individual lives, communities, and nations, we recognize that there is a role to be played by religious institutions, nonprofit groups, and governments in building a cohesive society. We will also detail how capitalism must be guided by a "moral-cultural system" in order for its participants to continue flourishing and to remain prosperous.

So is economics a moral issue? Join us as we consider why that is so, and how capitalism, properly understood, is consistent with both the Bible and some very important and widely held virtues.

NOTES

1. "U.S. Religious Landscape Survey," 2009, The Pew Forum on Religion and Public Life, Washington, D.C., http://religions.pewforum.org/reports.
2. One notable exception is the work of Sojourners founder Jim Wallis. See his recent work, *Rediscovering Values: A Moral Compass for the New Economy* (New York: Howard, 2010).