

Review article – Susan Jones

Theology and “Real World” Business Economics

Christianity and the New Spirit of Capitalism

By Kathryn Tanner

Yale University Press, New Haven CT, 2019. 219 pp. Hardcover £25.00. ISBN 978-0-300-21903-6.

Aquinas and the Market

By Mary L. Hirschfeld

Harvard University Press, Cambridge MA, 2018. 217pp. Hardcover £28.76. ISBN 978-0-67-498404.

Is academic theology relevant to Christians who work in business or commerce? In this article, I will argue that it is highly relevant with reference to two books, published in recent months, which consider the uneasy relationship between the Christian faith and today’s capitalist economies. The authors of these books are both academic theologians in the USA: Kathryn Tanner (an Episcopalian) is a systematic theologian at Yale Divinity School, and Roman Catholic Mary Hirschfeld is an economist-turned-moral theologian at Villanova University in Pennsylvania. My own interest in the subject matter stems from my personal and professional background – as a Christian since I was an Oxford PPE student (at Jesus College, where the celebrated Christian economist, Donald Hay, was my tutor), followed by a thirteen-year City career in corporate finance, then twenty years spent in independent schools as a teacher of

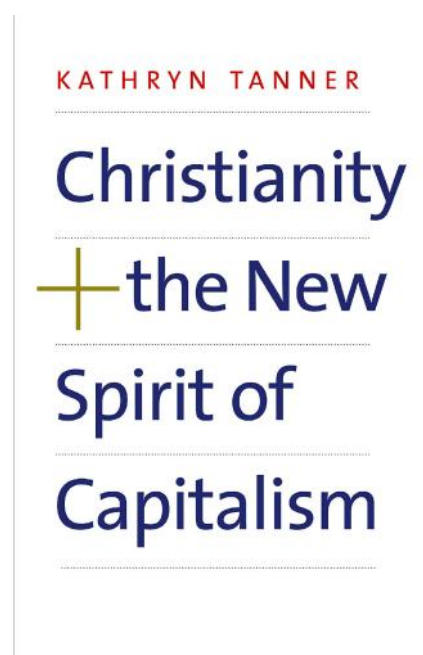
economics and headteacher, and my recent (post-retirement) Masters degree in systematic and philosophical theology. This article reflects on the contribution made by the arguments advanced in these two new books to the cause of ethical

practice in business, and to human flourishing in general.

The first thing to say is that both books, while they are addressed towards abstract concepts like “capitalism” and the “economy,” are certainly relevant to those who work in business. As Richard Higginson and Kina Robertshaw have previously indicated, Christian in business can advance the kingdom of God in various ways, of which one is “embodying Christian values – expressed in the highest standards of business ethics which flow from Christian faith.”¹ Having a strong belief in the authority of Scripture, my view is that theology should be the source of those standards of business ethics, following the method outlined by Donald Hay,² which can be summarised in the following diagram:

T → DSP → R

The letter T symbolises the Christian *tradition* of interpreting Scripture

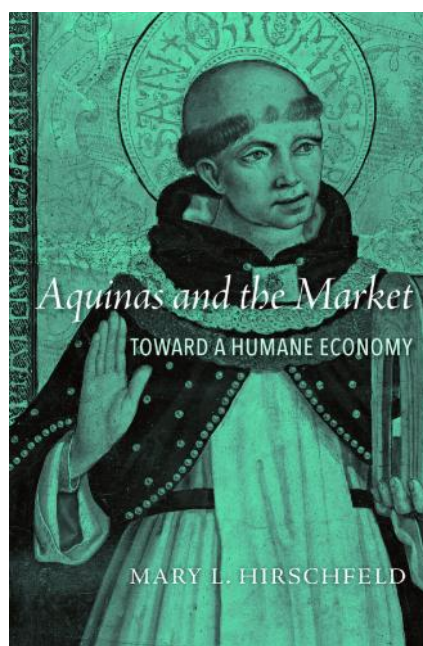


within a theological framework which relates biblical revelation to the current context. From the tradition T, we can derive a set of *derivative social principles* (DSP) which are always provisional, as they depend on the interpretation of Scripture and need to be open to reformulation when new insights into T come along. The final stage in the process is *reality* (R) – the sphere into which the derivative social principles should be put into practice by Christians. In our context, therefore, T is the theological framework which underpins relationships between God, humanity, and the whole of creation. From Scripture we can derive social principles regarding stewardship, the right and obligation to work, universal access to basic needs such as food, clothing and shelter, and the obligation of the rich to help the poor who cannot provide for themselves through work. As Hay points out, the derivative social principles which flow from T may be used to evaluate different aspects of economic life and activity. Thus, theology is important as the authority for Christian conduct and relationships, just as much for those who work in business and commerce as for those officials whose role it is to frame and implement national macroeconomic policy.

Why, then, is dialogue between theology and economics so fraught with difficulty? In their 2015 study Jeremy Kidwell and Sean Doherty noted that Christian economists and theologians often wield their respective tools of reasoning as “swords of blame and recrimination against one another,” and expressed the hope that they could be beaten into ploughshares³ “... to cultivate more just and moral economies in the twenty-first century.”⁴ One of numerous barriers to interdisciplinary conversation identified by Kidwell and Doherty is that theologians have “very little understanding of the economic realities they critique.”⁵ Economists

do not escape their reproach; for example, Kidwell and Doherty highlight economists’ lack of self-criticism about the “ideological freighting” (that is, the unacknowledged value-laden nature) of their own discipline, but in considering these two new books I concentrate primarily on the application of theology to economics and, by extension, business.

Tanner is the Frederick Marquand Professor of Systematic Theology at Yale Divinity School; this latest book arose from a series of Gifford



Lectures she gave at Edinburgh University Business School in 2015. Tanner’s previous foray into the realm of economics (*Economy of Grace*, published in 2005), whilst celebrated by theologians, was dismissed by the few economists who engaged with it, not least for its apparent denial of the problem of scarcity, thus ignoring the existence of opportunity cost. Tanner had argued that we should treat the earth’s resources as being as infinite and universal as God’s grace; that the “problem” is not one of scarcity but of distribution, in which private property and rivalry in consumption work against the building of God’s kingdom. In *Christianity and the New Spirit of Capitalism* Tanner develops

her argument into a cultural critique with the aim of demonstrating that modern capitalism is incompatible with Christian beliefs and, more ambitiously, to offer a viable alternative which conforms to the teachings of Jesus Christ. Tanner has no economics training and, in her critique of finance-dominated capitalism (hereafter “FDC”)⁶ as in her previous venture into economics, she draws heavily on sociologists and anthropologists for her understanding of the workings of the financial markets. Whilst Tanner has publicly stated in the past that she wants to engage economists in conversation, it is apparent that hers remains a decidedly one-sided conversation. Her assertion that this book rests “on the basis of very extensive reading in contemporary economic theory, only a slight portion of which appears in the notes”⁷ is unpersuasive: her arguments would carry much greater weight with economists if she had taken the trouble to attribute her sources from that discipline.

What of Tanner’s approach? Her stated aims in the book are three-fold: 1) to break the link between a right to well-being and work; 2) to break one’s identification with one’s “productive” self; and 3) to promote the possibility of “radically disruptive transformation” from the current configuration of capitalism. The book’s title alludes to Weber’s classic *The Protestant Ethic and the Spirit of Capitalism*, which sought to explain the rise of capitalism in terms of Christian (and specifically, Calvinist) religious belief. Tanner’s thesis is that modern (finance-dominated) capitalism increasingly shapes lives in a way which is not compatible with human flourishing, and which is therefore un-Christian. As she puts it, “The problem with direct assignment of religious value to economic pursuits is that it provides religious sanction for whatever form of employment society happens to saddle one with, no matter how limiting or

degrading.”⁸ Tanner does not cite specific examples of such employment. Space does not permit here a full exposition of the arguments, but I would contend that examples include many (if not all) of the more than 900,000 UK workers employed under “zero hours contracts”, where employers are under no obligation to guarantee minimum hours of work. It has been suggested that employees prefer the flexibility of such arrangements, but I have yet to see evidence that those *who have a genuine choice* choose uncertain hours, unpredictable pay (with related difficulties in claiming benefits) and the absence of sick pay, holiday pay, maternity rights and occupational pensions over traditional, part-time contracts. I share the Archbishop of Canterbury’s view that “The gig economy, zero hours contracts, is ... the reincarnation of an ancient evil.”⁹ Having established earlier in this article that a Christian theological framework includes universal access to basic needs such as food, clothing and shelter, I further query whether the 6 million UK workers who are paid less than the voluntary “Real Living Wage” hourly rate (£10.55 in London and £9.00 outside the capital) receive pay for their labour which is compatible with Christian principles. According to 2018 research by the independent Living Wage Foundation, more than 25 per cent of workers in Northern Ireland, the East Midlands, Wales, Yorkshire and the Humber, and the northeast earn a wage that fails to cover basic living costs.¹⁰

Tanner asserts that finance “disciplines” companies through the persistent drive to maximise shareholder value, leading to ongoing cost-cutting, job losses, and expectations of ever higher productivity from those workers who remain employed. For Tanner, finance similarly “disciplines” governments through the bond markets. She argues that governments’ appetite for debt is fuelled by a “race to the

bottom” in corporation taxes in an effort to attract globally mobile businesses. The resultant shortfall in tax revenues must be reduced by a combination of greater public borrowing and reduced spending – often through public employee job losses, and cuts to service provision in areas such as social security and education. The third group “disciplined” by FDC are individuals: indirectly, by being worked ever harder, in constant fear of redundancy, and with reduced levels of state support to fall back on in hard times, and directly, through servicing the rising personal debt levels which result from payday loans and credit card debts that supplement low wages, and second-hand car loans taken out of necessity to compensate for reduced public transport. Tanner is at her most secure in this analysis: she puts forward a compelling case for how the unregulated profit motive adversely affects relationships between firms and employees, and thus detracts from human flourishing. However, her theological approach to transforming the economy to a state compatible with Christian principles cannot be considered anything other than utopian. Tanner posits that, in the same way that the baptised “can live life on a new basis, with freedom from the past [sins]”, a new world already exists which cuts across finance-dominated capitalism: “no deferred utopia ... but already at work in the present.”¹¹ This is the point at which, I suggest, those working in business would be likely to conclude (and with some justification) that Tanner’s theology has little to offer real-world economic activity; she

provides no route map to achieve what Kenneth Barnes would recognise as “Redeeming Capitalism”¹².

In contrast to Tanner, Mary Hirschfeld (an Associate Professor of Economics and Theology at Villanova University) is academically trained in both disciplines. She holds a PhD in economics from Harvard and was a professor of economics for fifteen years before her conversion to Catholicism led her to study for a PhD in theology from the University of Notre Dame. Hirschfeld shares

Tanner’s views on the ethical failings of modern capitalism, but aims to suggest remedies for them through systematic application of the thought of the medieval scholastic theologian St Thomas Aquinas (1225–1274). In the course of her argument, Hirschfeld draws primarily on Aquinas’ *Summa Theologica*, but also refers extensively to secondary sources such as economists Milton Friedman, Amartya Sen, Adam Smith, Thomas Piketty and Paul Samuelson, in

addition to well-known names in theology/economics interdisciplinary research – Stephen Long, Anthony Waterman, and Andrew Yuengert. A glance at the bibliography confirms that Hirschfeld’s is demonstrably a more reciprocal “conversation” with economists than Tanner’s.

Hirschfeld aims her book not only at Christian economists and theologians, but at secular audiences also. She seeks to offer “a compelling account of how economic activity should be ordered to human flourishing”, reflecting on the effect of metaphysical assumptions made in mainstream economics: “One of

‘She puts forward a compelling case for how the unregulated profit motive adversely affects relationships between firms and employees, and thus detracts from human flourishing’


the core arguments of this book is that economics is not value-neutral.”¹³ Hirschfeld argues that a Thomistic approach enables meaningful dialogue between the positive (what *is*) and the normative (what *ought* to be). The framework of this approach (what Hirschfeld calls a humane economy) is based on “virtue”. Virtuous individuals only consume what is enough, and make any surplus available for others. Virtuous firms see their main goal as producing goods and services that are of real value to the community (as indicated by the price mechanism), and also as opportunities to employ skill and ingenuity. Such firms pay fair wages to employees.

In summary, the economy exists to provide a service to human life and not the other way around.

For Aquinas, private property is useful to make individuals

responsible for the stewardship of their own part of creation, and allows specialisation to enable the most effective production techniques. Markets are useful to co-ordinate economic activity. Money facilitates trade across time and space, and allocates risk, but it should not be pursued for its own sake. The health of the Thomist economy is measured by human flourishing and its ability to serve the community. Hirschfeld emphasises that it is “a cultural mistake to treat GDP and economic growth rates as ultimate goods”, underlining that they are merely instrumental in achieving the higher goods “that should be the ends of public policy.” Hirschfeld is honest in acknowledging that this model of the economy can be criticised as utopian – it assumes human nature as it should be and not what it is. In the final analysis, her book goes further than Tanner’s in putting

forward not only a critique of capitalism as it is today, but also proposing a strong Christian (“humane”) alternative. However, Hirschfeld provides no more of a route map to achieving a “humane economy” than Tanner.

Christians working in business will find much in both these books to challenge current profit-maximising priorities, but little practical guidance on how to respond to that challenge. In my view, the next logical step is for theologians to engage in direct dialogue with heterodox economists like Kate Raworth and Joseph Stiglitz. My research will attempt to contribute to this dialogue, by re-framing economic modelling to replace what Eve Poole has rightly identified as the “toxic” assumptions of capitalism¹⁴ with others derived from Christian values and doctrine. 

1 Richard Higginson and Kina Robertshaw, *A Voice To Be Heard: Christian Entrepreneurs Living Out Their Faith*, IVP, 2017, p.206.

2 Donald Hay, *Economics Today: A Christian Critique*, Apollos, 1989, p.309.

3 Isaiah 2:4

4 Jeremy Kidwell and Sean Doherty (editors), *Theology and Economics: A Christian Vision of the Common Good*, Palgrave Macmillan, 2015, p.2.

5 *Ibid.*, p.1.

6 A term for post-1980s Western-style capitalist systems characterised by the expansion of financial markets, introduction of new financial instruments, emphasis on financial rather than productive operations, focus on short-term shareholder value maximisation rather than long-term growth of the firm, and deregulation.

7 Kathryn Tanner, *Christianity and the New Spirit of Capitalism*, Yale University Press, 2019, p. 222.

8 *Ibid.*, p.201.

9 <https://www.telegraph.co.uk/politics/2018/09/12/archbishop-canterbury-gig-economy-zero-hours-contracts-reincarnation/>

10 The campaign for a Living Wage has cross-party political support and is a movement of independent businesses, organisations and citizens. Together with communities and activists across the country it has been campaigning since 2001 to ensure that everyone can earn a real Living Wage that meets actual living costs, not just the government minimum. See <https://www.livingwage.org.uk/news/living-wage-foundation-response-budget-2015>

11 Tanner, *Christianity and the New Spirit of Capitalism*, p.219.

12 Kenneth Barnes, *Redeeming Capitalism*, Eerdmans, 2018.

13 Mary Hirschfeld, *Aquinas and the Market: Toward a Humane Economy*, Harvard University Press, 2018, p. xviii.

14 Eve Poole, *Capitalism's Toxic Assumptions*, Bloomsbury, 2015.



Sue Jones has had a varied forty-year career in banking, teaching, and school leadership. Her first degree was in PPE, and she spent thirteen years in the City of London working primarily for Bank of America, financing commercial property, airlines and aerospace companies. She taught A-level economics for twenty years, and spent fifteen years in independent school headships. Now retired, she completed an MA in systematic and philosophical theology at Nottingham University in 2018, and is currently undertaking doctoral research at the intersection of economics and systematic theology. She is a trustee of two educational charities.