Two

ME, MYSELF AND WHY?

Pursuit of Self-Interest Promotes What, Exactly?

"Perhaps Christians have too easily bought into secular ways of thinking about work and business practices without stopping to ask whether these practices are really consistent with the morals of their tradition."

Scott B. Rae and Kenman L. Wong

"It is false to think that a market economy, if freed from all government interference, would create what the Bible means by justice."

Ron Sider

SYNOPSIS: Adam Smith recognized the power of self-interest to contribute to the common good and also acknowledged the need for it to be constrained through competition, the law and individual morality. Because economic activity occurs in community, it is impossible to discuss economic theory and policies without some reference to values. Jesus' position on self-interest is quite clear: whoever desires to come after him must "deny himself and take up his cross . . . for whoever desires his life will lose it, but whoever loses his life for [Jesus'] sake will find it."

"You were in it to make money?" queries the reporter.

"What the hell is wrong with that?" replies Jeffrey Wigand.

Wigand had been corporate vice president of research for Brown and Williamson, a major tobacco company. As depicted in the gripping docudrama film *The Insider*, Wigand ultimately blew the whistle on the tobacco industry because simply making money was not enough to ease his conscience. Despite death threats and a smear campaign, Wigand went public in court testimony and a *60 Minutes* interview, charging that the tobacco industry is not only in the "nicotine delivery business," it also uses ammonia and other chemicals to enhance the effects of the nicotine on the central nervous system. What a way to hold on to your customers!

For perjuring themselves and knowingly addicting people to a product that, in the long run, produces deleterious health effects, the tobacco industry is settling suits with all fifty states in a payout that may exceed $300 billion.

We learn a lesson here in economics and morality. As represented in the leading textbooks, the classic position of market economics has been understood to go something like this: the unconstrained pursuit of self-interest will promote the general welfare of society. Isn't that the basic idea of Adam Smith, architect of capitalism? But the misdeeds of Big Tobacco illustrate what some Christians have long been saying: that we cannot trust unconstrained self-interest to help society. According to Wigand, the tobacco companies' craving for money led them to devise ingenious ways to enslave more customers, thereby hurting the welfare of society. From this and other examples many observers hold that "the unconstrained pursuit of self-interest" actually promotes only self-centeredness, greed, hedonism, materialism and a disregard for others.

Certainly there is some truth in this observation, but that's not the whole story. Before we discard the most powerful known system for the material betterment of humankind, let us take time to be more discerning about its fundamental assumption.

More careful consideration unveils a number of interesting facts. First, Adam Smith might have a problem with the notion that unconstrained pursuit of self-interest always promotes the general welfare of society. Most economists would agree that this idea needs some tinkering before we make it a fundamental principle. Second, we find that the market economy functions better when it follows what the Bible says, especially what Christ said, about self-interest and kingdom values. Finally, Christians can participate in the market economy, but it requires spiritual discipline and honesty about our own weaknesses if we're going to withstand the many temptations to our basic human appetites (such as self-centeredness, envy, materialism and hedonism).

The True View of Adam Smith

Of the one million introductory economics textbooks sold each year in the United States, most include the following original "invisible hand" quote from Adam Smith's classic work, *Wealth of Nations*.

> Every individual is continually exerting himself to find out the most advantageous employment of whatever capital he can command. It is his own advantage, indeed, and not that of the society, which he has in view. But the study of his own advantage naturally, or rather necessarily, leads him to prefer that employment which is most advantageous to the society. . . . [H]e intends only his own gain, and his is in this, as in many other cases, led by an invisible hand to promote an end

> which has no part of his intention. Nor is it always the worse for the society that it was no part of it. By pursuing his own interest he frequently promotes that of society more effectually than when he really intends to promote it.[1]

This quotation is typically used in introductory textbooks to establish two important economic principles. First, that people can be expected to act out of self-interest. Second, that individual pursuit of self-interest advances rather than diminishes the well-being of society.

However, a careful reading of this paragraph is instructive. One quickly realizes that Smith is referring to an individual's search for the most "advantageous" use of his or her capital, rather than self-interested spending on all goods and services. In fact, in context Smith was discussing specifically the individual's allocation of capital investment between domestic industry as opposed to foreign trade (although he does add the phrase "as in many other cases").

Moreover, Smith was contrasting this mode of individual investment to the specific alternative system whereby statesmen or lawgivers "direct private people in what manner they ought to employ their capitals."[2] Following the famous quote, Smith adds, "I have never known much good done by those who affected to trade for the public good." In other words, officials who try to manipulate the economy for the benefit of society typically do little to increase the general welfare, especially compared to individual citizens who just try to succeed in business. Not an unusual sentiment for a Scot who grew up under the arbitrary and often rapacious rule of the British.

But notice the qualifications Smith used. When the self-interested individual seeks his own gain in the employment of his capital, Smith says, he unintentionally promotes an end that is not "always the worse for the society . . . frequently promotes." This qualified recognition that social benefits may accrue from the self-interested investment of capital is a far cry from the typical claim that unconstrained pursuit of self-interest in all areas of economic activity always promotes the general welfare. Nor can the famous quote be a considered a summary of Smith's overall position, because it is the only time in *Wealth of Nations* where he uses the term *invisible hand*.[3] (And it should be noted that the term *laissez faire*, denoting a lack of government intrusion into economic affairs, never appears in *Wealth of Nations*.)

Why didn't Smith offer an unqualified blessing of the unconstrained pursuit of self-interest? Because he recognized that human nature may lead persons to act in a manner that is, in fact, to the economic disadvantage of society. In talking about the conduct of ordinary commerce, Smith comments, "People of the same trade seldom meet together, even for merriment or diversion, but the conversation ends in *a conspiracy against the public* or in *some contrivance to raise prices*."[4] With regard to the compensation of workers, Smith observes, "Masters are always and every where in sort of tacit, but constant and uniform combination, not to raise wages of labour above their actual rate."[5] Smith notes that British manufacturers have used high duties or absolute prohibitions (quotas) to restrain the importation of foreign goods and obtain "either altogether, or very nearly a monopoly against their countrymen."[6] When prices for a particular commodity are rising, he adds, suppliers are "generally careful to conceal this," lest the great profits attract entry and cause prices to be reduced "to the natural price or even below it."[7] "The affluence of the rich," says Smith, "excites the indignation of the poor, who are often both driven by want, and prompted by envy, to invade his possessions."[8]

In the original edition of his first book, *The Theory of Moral Sentiments*, Smith clearly expresses his doubts about the natural virtue of humanity:

> Man when about to appear before a being of infinite perfection can feel but little confidence in his own merit or in the imperfect propriety of his own conduct. . . . Repentance, sorrow, humiliation, contrition at the thought of his past conduct, are upon this account, the sentiments which become him. . . . Some other intercession, some other sacrifice, some other atonement, he imagines, must be made for him beyond what he himself is capable of making, before the purity of the Divine justice can be reconciled to his manifold offences.[9]

Although himself a deist (a believer in an external "impartial spectator," "the Author of nature," "the Deity"), Smith's view is in keeping with the Christian position that we are born sinful and that sin is a reality of the human condition. The fruits of the Fall are evidenced by the frequent incidence of greed, selfishness, rapacity, dishonesty and exploitation in the conduct of economic affairs.

Yet Smith rejects the brutish view of humans advocated by Thomas Hobbes and Bernard Mandeville, stating in part one of *The Theory of Moral Sentiments* that "How selfish soever man may be supposed, there are evidently some principles in his nature, which interest him in the fortune of others, and render their happiness necessary to him, though he derives nothing from it except the pleasure of seeing it."[10]

This pity and compassion for the sorrow of others, the joy and gratitude for their deliverance and success, Smith terms "sympathy." While not universal among all persons, generally this sympathy results in humans being community-oriented. Smith observes:

> All the members of human society stand in need of each other's assistance, and are likewise exposed to mutual injuries. Where the necessary assistance is reciprocally afforded from love, from gratitude, from friendship, and esteem, the society flourishes and is happy. All the different members of it are bound together by the agreeable bands of love and affection, and are, as it were, drawn to one common center of mutual good offices.[11]

Yet should this mutual love and affection not flourish, society will still subsist due to individual self-love (self-interest).

Comparing the theory of human behavior put forward by Smith in his *Theory of Moral Sentiments* to that in *Wealth of Nations*, economic historian Jeffrey Young concludes:

> The frugal, self-interested man of *Wealth of Nations* is also the prudent man of *Theory of Moral Sentiments*, and self-interest in both is to be understood as "proper regard for self"—that degree of self-love which elicits the approval of the impartial spectator because it does no harm to others.[12]

That "approval" is a key ingredient of Smith's vision. People care what others think of them, and it's this desire for the good opinion of others that constrains people in their pursuit of self-interest. In fact, it's a necessary condition for the conduct of commerce. Such social reciprocity promotes virtuous conduct, curbing what many feared would be the amoral individualism of a commercial society. This constraint, according to Smith, is reinforced by competition and by the jurisprudence system, which Smith was writing about at the time of his death.

For Smith competition serves as a major curb on the excesses of self-interest. The market prices charged by a supplier of commodities and goods are constrained by his or her competition, and the wages paid to laborers are bid up by competition among buyers. Consequently, Smith was a strong opponent of the use of the powers of the sovereign to limit entry to markets, including the granting of monopolies to an individual or a trading company and the application of duties and restrictions on imports. Smith opposed "the exclusive privileges of corporations, statutes of apprenticeship, and all those laws which restrain, in particular employments, the competition to a smaller number than might otherwise go into them."[13] Because of the tendency to collusion, Smith even opposed any regulations such as taxes "to provide for their poor, their sick, their widows and orphans" that necessitated the assembling of merchants of the same trade.[14]

When the system of natural liberty and free markets prevails, Smith believed, the sovereign must attend to only three duties: protection of society from foreign invasion; the erection and maintenance of certain public works; and "duty of protecting, as far as possible, every member of society from the injustice or oppression of every other member of it, or the duty of establishing an exact administration of justice."[15] (We will examine the role of government in more detail in chap. 6.) These duties of jurisprudence encompass remedial justice, including redress for injury to persons (physical and reputation) and property, and commutative justice, centered primarily around laws that protect property rights and encourage equilibrium between the market and the "natural" price (the scholastic tradition of the "just" price). While Smith makes no definitive statement on distributive justice, after reviewing his various isolated remarks, Jeffrey Young concludes, "distributive justice emerges as an important concern in his political economy. Smith finds the existing patterns of wealth and income shares far from optimal because of the continuance of mercantilist regulation, certain taxes, and remnants of feudalism in the agricultural sector."[16] Although not a clarion call for a welfare state, Smith's position on jurisprudence and justice reflects an other-regardedness that goes unrecognized by many theologians and Christian critics.

The Current Economic Presentation

Most of the bestselling economics texts, using the "positive-normative" disclaimer (positive economics explains "what is," normative economics "what ought to be"), purport to be value free, presenting a positive intellectual framework which simply describes how self-interested economic agents act. For example, in their introductory economics textbook Edwin Mansfield and Nariman Behravesh state that "positive economics is science in the ordinary sense of the word. . . . We can, in principle, test propositions in positive economics by an appeal to the facts."[17]

But, as we have seen with Adam Smith's work, a value-free interpretation leads to all sorts of abuses. The majority of introductory economics textbooks include Smith's famous "invisible hand" quote, but also defensively state that the pursuit of self-interest does not equate directly to greedy materialism and the unbridled accumulation of wealth.[18] Yet without an understanding of Smith's moral values, they're at a loss to explain why selfishness and greed aren't rampant. While Smith clearly wanted the government to let economic forces do their stuff, he was also assuming that responsible people would "constrain" themselves in "the pursuit of self-interest." Smith is building on a groundwork of values that we must understand if we're to read him properly.

Economics is obviously about value—the relative worth of this coin to that loaf of bread—but it's also about values and it always has been. What values, traditions and beliefs determine how people interact in economic community? While some might selfishly pursue wealth and hoard it, others use their earnings to support social causes, say, providing prenatal care to poor women is paramount. Some executives would turn down a promotion with high salary and extreme time commitments in order to spend more time with their families. And certainly not all income goes to consumption and personal savings; in 2004 alone individual Americans gave an estimated $208 billion to charities and churches. Economic decisions are intertwined with moral decisions.

And so, because economic activity occurs in community, it's futile to try to write a "value-free" book on economics. Economist Roger Miller comments:

> Do not get the impression that a textbook author will be able to keep all personal values out of the book. They will slip through. In fact, the very choice of which topics to include in an introductory textbook involves normative economics. There is not a value-free, or objective, way to decide which topics to use in a textbook. The author's values ultimately make a difference when choices have to be made.[19]

In fact, as a matter of course, introductory textbooks cover a wide range of ethical issues. Most introductory textbooks, for example, recognize and briefly discuss such topics as the distribution of income within society, discrimination in the labor market, the "fairness" of inheritance, pollution of the air and water, market concentration and the exploitation of consumers and suppliers, the distribution of resources between the private and public sectors, the limitations of Gross Domestic Product (GDP) as a measure of societal well-being, decision making in the absence of perfect information, and the rights and wrongs of private property rights. Many of these (such as pollution) are readily acknowledged and accepted as failures in the market system, requiring some form of redress.

Economics is commonly defined as the study of the allocation of scarce resources among competing demands. This is a sterile understatement. It presumes that individuals simply weigh the marginal utility (satisfaction) per dollar cost among alternative goods and services and buy accordingly; that firms buy inputs until the last bit of revenue produced just equals the cost of the input and stop overall production at the point where marginal revenue and marginal costs equate, maximizing profit. That definition gets the mechanics right, but not the real stuff of decision making.

If we want to understand and anticipate the economic behavior of individuals, firms, institutions and government, in order to develop effective economic policy, then as economist John Neville Keynes stated a century ago, we need to engage in the "art of economics." The art of economics is the application of the knowledge learned in positive economics to the achievement of the goals determined in normative economics. It recognizes that in analyzing economic behavior one must take into account historical precedent and social, cultural, legal and political forces.[20]

In most Hispanic neighborhoods in the United States, for example, there is little demand for nursing homes because of a cultural commitment to the extended family and care of one's elders. Matzo sales rise during the Jewish Passover. Parents don't charge children for their food (until they come back home after graduation from college!). Churches and temples don't restrict their soup kitchens or food banks to persons who are only Christians or Methodists or Baptists or Muslims. Most societies find the selling and buying of body organs repulsive. Fewer divorces occur in areas of the United States and in nations that are predominantly Catholic.

Economist Richard Titmuss discovered a similar moral element in his research on the markets for human blood.[21] In the private blood market of the United States, he found, the commercialization of blood and donor relationships repress the expression of altruism, erode the sense of community, lower scientific standards, limit both personal and professional freedoms, legalize hostility between doctor and patient, increase the danger of unethical behavior in various sectors of medical science and practice, and redistribute blood from the poor to the rich as the proportionately more blood is supplied by the poor, the unskilled and the unemployed. Compared to the voluntary blood donor market in Great Britain, the commercialized market comes up short in four economic areas: it's wasteful, administratively inefficient, higher priced and lower quality. Titmuss concludes that a proper understanding of how these markets function requires an appreciation for the moral commitment of the individuals who give blood. In other words, it is not always just prices and quantity; it is also values that determine market outcomes.

Values—such as altruism, community and social cohesion—can play a significant role in the operation of a market, as we see in this smattering of examples. To achieve economically efficient outcomes, one must consider the values of the people involved.

So, within mainstream economics today the assumption that unconstrained pursuit of self-interest promotes the general welfare of society receives only qualified support. An economy is not a machine that hums along, following fixed patterns; there are people involved. Still, with those qualifications, we can affirm Adam Smith's general idea. Voluntary exchange among self-interested individuals within a price system is a powerful mechanism for producing wealth and promoting economic well being, but it is important to recognize its limitations and dangers.

Let's consider what the Bible has to say about the pursuit of self-interest and the general welfare.

A Biblical Perspective

From the Garden of Eden onward we see people driven by self-interest. What does the Old Testament have to say about a regard for others? After one's commitment to spouse(s) and family, the Old Testament makes it clear that God's people have a special responsibility for others, specifically widows, orphans, the poor, the oppressed and strangers. Other than for idolatry, no other sin so frequently kindles God's wrath and prompts his punishment than the neglect of the needy. Still, the accumulation of wealth is not condemned. In fact, it's frequently taken as evidence of God's special blessing for the individual, family or tribe. But God does require generosity, especially from the wealthy. (This is covered in more detail in chap. 10.)

In the New Testament the position of Jesus is quite clear as well. When asked to name the greatest commandment, Jesus replies: "'Love the Lord your God with all your heart and with all your soul and with all your mind.' This is the first and greatest commandment. And the second is like it: 'Love your neighbor as yourself.' All the Law and the Prophets hang on these two commandments" (Mt 22:36-40). Jesus consistently calls us to fulfill the Old Testament law and go beyond it. Who is our neighbor? Not just the people of Israel but everyone with whom God may bring us into contact, including the outcast (the leper, the Samaritan) and even our enemies!

Jesus states it simply that if anyone desires to come after him he must "deny himself and take up his cross. . . . For whoever wants to save his life will lose it, but whoever loses his life for me will find it. For what good will it be for a man if he gains the whole world, yet forfeits his soul? Or what can a man give in exchange for his soul?" (Mt 16:24-26). This business of dying to self is serious! We're talking about a tradeoff between the things of the world (e.g., material goods, power, significance and achievement) and our very souls.

Does this mean that Jesus is unaware of our basic physical needs? No, he just wants us to get our priorities straight.

> Do not worry about your life, what you will eat or what you will drink; or about your body, what you will wear. Is not life more than food, and the body more important than clothes? Look at the birds of the air, they do not sow or reap or store away in barns, and yet your heavenly Father feeds them. Are you not much more valuable than they? Who of you by worrying can add a single hour to his life?
>
> And why do you worry about clothes? See how the lilies of the field grow. They do not labor or spin. Yet I tell you that not even Solomon in all his splendor was dressed like one of these. If that is how God clothes the grass of the field, which is here today and tomorrow is thrown into the fire, will he not much more clothe you, O you of little faith? So do not worry, saying, "What shall we eat?" or "What shall we drink?" or "What shall we wear?" For the pagans run after all these things, and your heavenly Father knows that you need them. But seek first his kingdom and his righteousness, and all these things will be given to you as well. (Mt 6: 25-33)

Jesus is calling us to an enlightened self-interest. Not the "enlightened" self-interest where restraining from evil impulses and performing external deeds of righteousness brings the utilitarian praise of our peers.[22] Rather, a genuine refocusing of our internal and external lives to his kingdom. Don't store your treasures on earth where moth and rust destroy; store your treasures in heaven (Mt 6:19-20). Jesus realizes we are concerned about our own well-being and we are certainly instructed to provide for the needs of our families (1 Tim 5:8), but he wants us to direct our energies to the best, the most secure and permanent ends. Jesus doesn't ask us to set aside our self-interest; he just wants to keep us from making a poor investment. "Jesus is not asking us to give up the idea of abundance and quality of life. He is rather calling upon us to relocate the sphere in which we search for it."[23] Jesus tells us, "Do not fear, little flock, for your Father's has been pleased to give you the kingdom. Sell your possessions and give to the poor. Provide purses for yourselves that will not wear out, a treasure in the heavens that will not be exhausted, where no thief comes near and no moth destroys" (Lk 12:32-33).

What is this kingdom of God? (Or the kingdom of heaven; the terms are used interchangeably.) Simply put, God's kingdom is "righteousness, peace and joy in the Holy Spirit" (Rom 14:17). It was made available to us through Christ's incarnation, death and resurrection. We have occasional fleeting experiences of the kingdom within us during those times when we truly allow God to reign in our lives, and it will be established for eternity in the new heaven and the new earth following Christ's return. In the Lord's prayer we pray for the final coming of God's kingdom, and urged on and led by the Holy Spirit we continue to work daily to actuate the kingdom on this earth.

The prophet Isaiah tells us that in this new heaven and new earth we will

> Be glad and rejoice forever . . .
> [in a] Jerusalem [that is] a delight
> and its people a joy. . . .
> [T]he sound of weeping and of crying
> will be heard . . . no more.
> Never again will there be . . .
> an infant who lives but a few days,
> or an old man who does not live out his years
> . . . Before [my people] call I will answer;
> while they still speaking I will hear. (Is 65:18-20, 24)

According to the prophet Micah:

> Nation will not take up sword against nation,
> nor will they train for war anymore.
> Every man will sit under his own vine
> and under his own fig tree,
> and no one will make them afraid. (Mic 4:3-4)

The kingdom of God sets us free from bondage to the gods of our sinful desires in this life. Through the Spirit we are released from the lusts of the flesh and made alive with Christ. We are no longer enslaved by the notion that certain things belong to us and that our survival is linked to maintaining these possessions or securing the benefits that the world provides.[24] It is for freedom that Christ has set us free.

How does this work? How can we practice this freedom from possessions in our daily lives? In Mark 10:29-30 Jesus assures us that anyone who has left house or land or family or friends for the gospel will receive a hundredfold in the present age. Is that possible? We get some insight from a Mennonite pastor named Virgil Vogt, whose family is committed to the practice of simple living as a means of bearing witness to their faith. He relates how his family, despite the lack of a car or a vacation home, through their brothers and sisters in Christ always had a car available to them and homes open to them throughout the country. Vogt explains:

> Within [the] covenant circle there are a whole new set of relationships. Other believers become our brothers and sisters, and our lives are linked with them in a profound way. Their houses become ours and our houses theirs. Thus through the love and sharing of believers, we experience the reality of this promise—we

> have houses and lands a hundredfold. As sons and daughters of the kingdom we have access to all the resources of the kingdom's citizens. . . . The hundredfold houses and lands spoken of by Jesus are received as a gift from God given to those who are not seeking houses and lands. They are seeking the kingdom. Furthermore, the abundance of the kingdom is maintained without our clinging to it or trying to protect it.[25]

It seems clear that the manifestation of the kingdom of God in this world requires active community. (In fact, because love of neighbor is inseparable from the love of God, the Catholic church's official doctrine states that the Christian life requires living in community.) For Christians to exchange with others, mutual service and dialogue are not an extraneous addition but a requirement. As the apostle Paul instructs, "Each of you should look not only to your own interests, but also to the interests of others. Your attitude should be the same as that of Christ Jesus" (Phil 2:4-5).

Despite its superiority in generating wealth, many Christian pastors, theologians and leaders express discomfort with the market system of economy because its emphasis on individualism and self-interest seems to take the focus off community, and perhaps even renders community more difficult. Relationships in markets are viewed as coldly calculating (what's in this for me?), transient and superficial, where humans even prey on each other. Governments and other associations are simply voluntary contracts among atomistic individuals who join together because it is in their self-interest to do so. Institutions are collections of self-interested individuals who, when the institution no longer generates for them benefits greater than costs, will quickly cast it aside and move on. There is no commitment to the common good.

Can the kingdom of God be reconciled to the market economy? Of course, if we are willing to live with imperfection. As Michael Novak says, "At the heart of Judaism and Christianity is the recognition of sin, as at the heart of democratic capitalism is a differentiation of systems designed to squeeze some good from sinful tendencies."[26] To move forward constructively we must take into account both the sin in ourselves and the weaknesses, irrationalities and evil forces pervasive in the world, and disbelieve any promises that "the world now or ever will be transformed into the City of God."[27] There will be a New Jerusalem, but our earthly Babylon will first be destroyed.

Consequently, the market system is most productive when it is undergirded by moral values such as trust, honesty, obligation and cooperation, and as Adam Smith recognized, may in fact break down (together with society), if it is not. These, we should note, are historically biblical values. Property rights, for example, would be impossible to enforce unless people have some respect for the rights of others or an appreciation of the golden rule (Mt 7:12).[28] Ethics and moral consensus are key factors in generating economic value. Without moral consensus, transaction costs would be so high that market exchange and economic growth would be seriously impeded, perhaps even impossible. In commenting on Max Weber's Protestant work ethic, James Buchanan observes that "a society whose members share the Puritan virtues, no matter what the source or for what reason, will be economically more successful than the society in which these virtues are absent or are less widely shared."[29] Those "Puritan virtues" aren't just about hard work, as some might think, but generosity, honesty and teamwork as well.

What's more, our legal system is built on an understanding of human sin. We count on the government to curb and remediate the excesses of human nature in economic affairs. Fines and prison sentences are levied for price fixing and false representation of products. Antitrust action is taken to prevent or ameliorate the accumulation of market power by firms. Inheritance laws and taxes limit the intergenerational accumulation of wealth by individuals or within families. ("Woe to you," says Isaiah, "who add house to house and join field to field till no space is left" [Is 5:8].) We have three countervailing branches of government (executive, legislative and judicial) because we are a government of fallen people, not angels. All of this underscores the connection between a successful free-market economy and values, especially Bible-inspired values that are held by individuals and the community at large.

Conclusion

The notion that unconstrained pursuit of self-interest promotes the general welfare of society has never been an unqualified basic assumption of market economics. Markets fail, people can behave disreputably and even cruelly, and extra-market factors such as historical precedent and social, cultural, religious, legal and political forces frequently influence economic decisions. Nevertheless, pursuit of self-interest can have a healthy effect on society, within the confines of competition, a jurisprudence system that maintains remedial and commutative justice, a government system that insures every person access to the resources necessary for life and access to the productive resources for dignified participation in the economy, and general consensus on transcendent values.

Until a more productive and democratic economic arrangement is identified, Christians can and should participate in the market economy. However, our pursuit of self-interest is to be "enlightened," as we seek first the kingdom of God. The universality of human sinfulness is to be taken seriously and anticipated through the structuring of institutions and government, the legal system and even personal accountability groups. But there is no reason to throw the baby out with the bath water. Ronald Nash observes:

> Competition can lead individuals and organizations to act in ways that are dishonorable or dishonest. But these problems are simply another manifestation of original sin. They do not demonstrate that there is anything wrong with competition itself. . . . [C]ompetition often has beneficial social consequences by affording people ways of resolving conflicts over some scarce goods in a nonviolent way . . . providing better goods and services at the lowest possible price.[30]

When it comes to improving the economic human condition, nothing has proven superior to the market economy.

Like Jeffrey Wigand of *The Insider*, we often struggle with the freedoms afforded in our market economy. While the profit motive and relative prices can help an economy produce goods and allocate resources efficiently (meeting human needs, providing jobs, etc.), we also see that these advantages can be offset by the all-too-apparent weaknesses of our human natures: jealousy, selfish ambition, greed, arrogance, envy, stealing and lying. Sometimes it seems that the market encourages these vices. But Christ is at work within us through the Holy Spirit, transforming us, helping us put aside these self-destructive weaknesses of our flesh. We're not perfect, but we can strive to act righteously within a system that accommodates both vice and virtue.

Christians are called to be the salt of the earth, the light of the world, the leaven that spreads through the whole lump of dough. This applies to our economic lives as well as to other areas. Christians are not free to ransack the environment, exploit customers or suppliers, work in markets selling pleasure-oriented hedonism, or put profit before the health of employees. This discipline is not easy. When in our daily routines, we can become immersed in our institutions or occupations and we often forget to step back and question whether our goals and actions are in accord with our ultimate goal of the establishment of God's kingdom. To do this requires time in prayer, communion with God through the Holy Spirit, meditation on Scripture and participation in Christian community. But the rewards are love, joy, goodness and peace now and for eternity. That is "enlightened" self-interest, which benefits us as individuals, our families and society.

Discussion Questions

1. What is the difference between self-interest and selfishness? Why is this distinction important when considering the competitive market economy as appropriate for a society?
2. Does your textbook present only positive economics and avoid any normative economics? If not, give some examples of normative issues covered in your textbook.
3. What did Adam Smith believe serves to curb self-interest in an economy?
4. What does it mean to seek the kingdom of God in a democratic capitalist economy? How can it be done?