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From the Editor:

As you will see this issue brings a change in Editor. Andy Hartropp has decided to make a change of career and has now left Brunel University for Oak Hill College in London, where he has begun Anglican ordination training. So I have been persuaded to change jobs and take on the Journal. As those who were at the July meeting in Oxford will now we are very pleased that Jonathan Thomas (University of Warwick) has agreed to become the new Secretary/Treasurer. Donald Hay continues as Convenor and Study Group organiser. We would like to express our thanks to Andy Hartropp for his work over the last seven years in producing the previous 12 issues of the ACE Journal, and we wish him God's blessing in the future.

There are a number of items to report.

Firstly a revised address list is being circulated with this issue of the Journal.

Secondly I can give advance warning of next years' Study Group meeting. It will take place again in Jesus College, Oxford, on Monday and Tuesday, 5th and 6th July 1993. If you would like to present a paper (even if at this stage it only exists as an idea) then Donald Hay would very much like to hear from you.

Thirdly it has been suggested by our North American counterparts, also called the Association of Christian Economists, that we should in future offer a joint membership subscription to both British and North American ACEs (at a slight discount!). ACE (North America) also produce a twice yearly journal and are very keen to foster links between our two groups. A joint subscription makes good sense administratively since it can be very expensive to individually send small dollar money orders. Of course you can continue to join ACE(UK) on its own. Further details will be provided early next year.

The current issue includes two of the papers presented at the July meeting, by John Mason and by Michael Schluter. Also included is a review by Donald Hay of *Reforming Economics* by J.P. Tiemstra et al..

Finally a number of interesting books on Christian approaches to economics and related issues have been appearing recently. If you have read any of these and would like to write a short review then I am keen to hear from you.

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CENTRALIZATION & DECENTRALIZATION IN SOCIAL ARRANGEMENTS: EXPLORATIONS INTO BIBLICAL SOCIAL ETHICS

John D. Mason¹

The quest for an appropriate mix of centralization and decentralization in social arrangements hardly has abated in these latter decades of the twentieth century--at all levels in both the public and private arenas.² In Europe nations of the West are pursuing international cooperation (a form of centralization) in developing a more complex common market, whereas the East witnesses the dismemberment of nations following the breakup of communism. Achieving continuous economic development in the poorer nations of the world, thought to require centralized economic planning in the mid-decades of the century, now hears the call for greater internal decentralization. The rethinking characterizes less sweeping institutional levels as well. An increasing number of voices are calling for greater employee decision making in firm governance. The public provision of education, traditionally offered in centralized state-provided schools in each local region, now faces arguments that society should vest parents with the choice of school (public or private) and the state provide only financial assistance?³

To sort our way through this swirl of institutional change, two intellectual efforts are needed. On the one hand we need improved social science--both a broader appreciation of what we already know, as well as new science. Most economists are convinced, for example, that nations are served better by freer international trade, and call citizens to better appreciate

¹Professor of Economics, Gordon College, Wenham Massachusetts, USA. The arguments of the paper have been improved by suggestions from Scott Carroll and Kurt Schaefer. Russ Bishop (as always) and Marvin Wilson were helpful in finding sources. The author remains solely responsible for errors in analysis and awkwardness in presentation.

²A. Hirshman's Shifting Involvements: Private Interest & Public Action (Princeton: Princeton University Press, 1982) argues that there has been a pendulum swing in social preferences for more or less decentralization in political-economic arrangements over the last several centuries: a swing affected as much by social-psychological reactions to what political-economic reality provides and does not provide (and hence to felt conceptions of moral obligation) as to our understanding of the technical details of political economy.

³It should be clear that my concern is not with the traditional debate over capitalism and collectivism. The rethinking to which I refer is being done within all political-economic settings. The de-regulation of the passenger air transportation industry in the United States (a case of decentralization) has been accompanied by rapidly growing concentration within the industry among privately owned firms (the face of centralization).

this insight. At the same time newer political mechanisms are needed to assure nations that their cultural distinctives will not be lost in the process of freer trade.

On the other hand, to resolve many of the problems faced today we need a clearer grasp on the shared sense of moral obligation embraced by the citizens of society. It is this 'shared sense of moral obligation' that creates a range of feasible options for public policy.⁴ Does the citizenry want more or less decentralization? Should the citizenry want more or less decentralization, given the sources for ethical guidance from which they draw? For our purposes, what constraints should be placed upon both centralized and decentralized institutions to assure they yield God-pleasing objectives? I place such questions in the realm of moral philosophy, not social science, and these questions are the concern of this paper.

The distinction made here between the needs for improved social science and a clearer grasp on the shared sense of moral obligation among citizens, is illustrated well by reference to the problem of 'ghetto' poverty⁵ in a number of the larger cities of the United States. Improved social science can help uncover the historical roots of the ghetto, and can devise programs that may attack the problem, but at almost every turn our understanding is clouded by uncertain assessments of moral responsibility. The immediate history of most ghetto settings starts with the demise of economic opportunities in the rural South and the migration of poorer citizens (primarily Afro-Americans) to cities in and outside the South seeking jobs. These migrants typically relocated in inner city areas because of the availability of affordable housing and discriminatory practices barring them from other parts of the cities.

Within a decade after this migration began (the 1950s), we are now realizing, the supply of remunerative but low-skilled manufacturing jobs was beginning to dry-up, replaced with service-sector jobs that in their unskilled version paid considerably lower wages. Moreover, the remaining 'good' jobs in both the manufacturing and service sectors often were moving away from the urban centers to the surrounding suburbs: a development hastened to considerable extent by a system of interstate highways and beltways around cities that made both job creation and relocation in these areas economically feasible. Somewhere in the midst of all this the structure of the nuclear family began to erode: true of all U.S. families,

⁴The social setting assumed throughout the paper is one of political democracy, and hence the desires and convictions of the citizens are fundamentally important to the resolution of any problem facing society.

⁵My use of the word 'ghetto' to characterize many inner city areas of the U.S. is not an attempt to be dramatic, but is taken from the description by W. J. Wilson, perhaps the leading analyst of such areas. See W. J. Wilson, The Truly Disadvantaged: The Inner City, the Underclass & Public Policy (Chicago: The University of Chicago Press, 1987).

but especially true among inner-city Afro-American families.

The complexities of ghetto realities extend far beyond the few pieces noted here (for example, the physical and psychological deterioration of schools in the inner city). But there is enough before us to grasp the difficulty of understanding what has happened, and consequently of assigning some sense of moral responsibility for the problem (and hence who ideally should bear the cost of addressing the problem--at least in the eyes of the citizens who must approve policy). Is the entrenched poverty (dubbed 'underclass' poverty by the experts, to distinguish it from poverty in general) a result of a lazy, southern 'sharecropper' mentality now transported to urban areas⁶--and if so, wherein lie the roots of this mentality (hardly in Africa, I submit)? Or, more likely, is it the case that finding and keeping good jobs is more difficult for ghetto citizens: in part because of location, in part because of a continuing racism that plagues the American culture, in part because of the complex dynamics of ghetto existence which produce young men and women less able to prepare for and find the good jobs? A number of voices have argued that easy provision of state welfare assistance contributes to if not causes outright the ghetto pathology. Even if this were true (a much contested claim among the experts--like most of the other claims noted in this paragraph), who was it that created and who is it that administers the welfare system?

After almost three decades of concentrated study by legions of academics and independent research organizations, the social science related dynamics of current ghetto realities hardly are understood in a satisfactory way. To the extent they are understood, we still are not clear on who to hold accountable for the problems. As a consequence the effectiveness of public policy seriously is weakened.⁷

To view the issue in microcosm, consider the Los Angeles riots in May of 1992, and ask which level of government should bear the greater responsibility for addressing the problems. The predominant early response was to seek greater assistance from Washington (the federal government). But in what sense should the citizens of Montana and Maine (who pay federal taxes) be held responsible for the ghetto problems of Los Angeles? Are those citizens who live and participate in that ghetto acting responsibly? Has the city of Los

⁶This observation is part of the thesis in a much discussed account of the southern migration by N. Lemann, The Promised Land: The Great Black Migration & How It Changed America (New York: Vintage Books, 1991).

⁷This same complex of factors has become painfully clear in the U. S. struggle over the design of welfare assistance to single mothers, and whether (and how aggressively) to make them work in order to receive continued assistance.

Angeles provided adequate public protection to all of its citizens? Have the suburbs surrounding the city of Los Angeles been open to the construction of scattered-site, low-income housing? Have the citizens of the state of California (that level of government deemed responsible for public education in the U.S. constitutional system) provided a fair schooling system for all of the state's children?

In order to design socially acceptable and hence more effective public policy to ameliorate the problems of the ghetto we need a better understanding of who in society is accountable for the problems. This understanding will require more than improved social science, and extends to investigating the systems of moral obligation that motivate and constrain the nation's citizens. The desire of this paper is to search the source of ethical insight for at least those (numerous) citizens who claim the Old and New Testaments as normative, in order to gain fresh instruction that will then let us return to a world with problems and to better understand which social arrangements are most commended.

My presumption in this exercise quite obviously is not that an examination of Scripture is the only step needed. We need better social science, and we need better moral philosophy in general (ideally to complement and help win wider acceptance for the truths we know as Christians). The issues we face are terribly complex, however, and it is easy to lose our ethical compass in the midst of this complexity. The turn to Scripture is a necessary part of a larger agenda for bringing greater shalom to a world very much in need of it.

After some limited remarks in section I of the paper on the appeal to Scripture for contemporary ethical guidance, I review in section II the Bible's preference for decentralized social arrangements. The Joseph narrative of Genesis 37-50 is examined in section III to understand in what way, if any, the seeming embrace of centralized economic measures in that narrative can be made consistent with the general case for decentralization. The paper ends in a brief concluding section IV, which draws possible implications from the biblical analysis for responding to ghetto poverty in the U.S.

The conclusions of the biblical analysis can be stated briefly. The Bible commends decentralized social arrangements--if necessary at the cost of greater economic growth. A major purpose of this institutional setting is to aid in the development of strong families and moral (God-pleasing) character. Centralized structures become necessary for two reasons, one principled and the other pragmatic and reluctant. At all times the necessity to hold every social arrangement accountable to the standard of biblical justice pertains: a task of its very nature requiring a centralized 'judicial' response (albeit not a centralized administrative

resolution). On occasion it becomes necessary to allow centralized structures in the face of dire, community-threatening realities, which includes the protection of ‘cultural distance’ for distinctive ‘value communities’ within a larger social setting. Even so, the preference is for the most decentralized way of doing this.

Those who affirm the Bible as God’s Word hold differing views on how the Scriptures should be used to provide ethical guidance to the social arena today. It is important therefore to be clear on the hermeneutical framework used in the paper.⁸ God provided in the Pentateuch institutions to govern the this-worldly society of early Israel, and the ‘ethical emphases’ of these institutions are intended to inform all peoples and nations (Gn. 18:18, Is. 51:4).⁹ The ethical emphases (the ‘spirit’) of the pentateuchal provisions find affirmation throughout the Bible (Lk. 16:19-31 e.g.). That love is the fulfillment of the ‘Law and Prophets’ (Mk. 12:28-31, Rms. 13:9, Gal. 5:14) was made clear in Lev. 19:18. As Stephen Mott so helpfully explains, however, such a broad norm as love must be given specific content in any particular situation.

It is the Law of God that love brings to completeness. Love is a commitment to the good of the other, but it does not in itself specify what that good is. The implementation of love must depend upon a theory of human needs and of values and of how one loves. The morality that directs the way in which one loves in the Bible is the Law of God, articulated in the Old Testament and clarified in the New.¹⁰

I believe I argue no more than a growing number of biblical scholars, both liberal and conservative in their views of the Bible. As one who looks very critically upon the Bible’s account of how Israel came to occupy Palestine, Norman Gottwald nonetheless holds up the

⁸The content of this paragraph is lifted in substance from J. Mason and K. Schaefer, ‘The Bible, the State, & the Economy: A Framework for Analysis’ *Christian Scholar’s Review* XX:45-64 (Sept. 1990) p. 48. See especially section III of the Mason/Schaefer paper for a more complete discussion of the argument being made here.

⁹‘If we ask whether any particular period has prime significance as setting a paradigm for the rest, then I think we have to come back to the normative significance of the covenant and law at Sinai, and the attempts of the early theocracy to initiate a community that embodied those social objectives.’ C. Wright, ‘The People of God & the State in the Old Testament’ *Themelios* 16:4-10 (October-November 1990) p. 9. I find myself in agreement with this helpful paper, and see myself emphasizing different implications from the pentateuchal materials than he draws.

¹⁰S. Mott, *Biblical Ethics & Social Change* (New York: Oxford University Press, 1982) p. 49; see also pp. 76-78, 99-100, 192ff (esp. 199).

settled condition of early (premonarchic) Israel as a type of ethical ideal in evaluating modern capitalistic societies.¹¹ Granting the diversity of Old Testament material and the difficulty of discerning ‘an’ Old Testament ethic, John Barton nevertheless can write:

[T]he law affords an insight into the contours of God’s own ideal will for his people and for all mankind. . . . To do good, on such a view, is to imitate God, to do the things he would do, if he were a human being; and what these things are can be read off in some measure from the things he has done, especially his acts of love and faithfulness towards Israel in the crucial early years of her existence-- . . . for the Old Testament as we have it ethics is a matter of imitating the pattern of God’s own actions, in salvation and in creation, because these spring from a pattern which always exists in his own mind and by which he governs the world with justice and mercy. Torah--in one aspect simply the law of Moses--is in another aspect the design according to which the world was created, and which makes sense of it; and by adhering to it human beings form part of God’s plan, and enjoy a kind of fellowship with him.¹²

Two final appeals are offered to support my hermeneutical approach. George Coats writes: ‘[Torah] says in the form of story what the essential character and moral obligations for any current audience might be by depicting the character and moral obligations of the normative past.’¹³ Finally, John Goldingay summarizes well the view taken in the paper: In my view, however, it seems in principle entirely appropriate to investigate Yahweh’s ways with Israel and to ask at various points whether his word or his acts are what he might say to or do with any nation. Even if law is covenant-law, this does not exclude its being at the same time the expression of universal principle. Indeed, the OT’s understanding of the the relationship between Israel and the nations perhaps directly suggests that Yahweh’s way with

¹¹See N. Gottwald, ‘Are Biblical & U.S. Societies Comparable?’ *Radical Religion* 3:17-23 (#1, 1976).

¹²J. Barton, ‘Approaches to Ethics in the Old Testament,’ in J. Rogerson (ed.), *Beginning Old Testament Study* (Philadelphia: Westminster Press, 1982), pp. 128-30. See section III of a recent paper by C. Wright (‘The Ethical Authority of the Old Testament: A Survey of Approaches. Part I’ *Tyndale Bull.* 43:101-120 (#1, May 1992)), which interacts with the recent material in the context of the long history of attempts to use the Old Testament for ethical instruction.

¹³G. Coats, *Genesis, with an Introduction to Narrative Literature* (Grand Rapids, Michigan: Eerdmans Publishing Co., 1983) p. 25.

Israel models his way (or what could be his way) with the nations (cr. Gn 12:1-3; Jonah).¹⁴

II

Are there distinctive ways for those who use the Bible for ethical guidance to think about the levels of centralization and decentralization in social arrangements? I believe so, and argue in this section the Bible's preference for decentralized arrangements that should be relaxed only with great reservation. These decentralized institutions must be held accountable to a standard of biblical justice, however, and Torah (the Pentateuch)--a form of judicial centralization--accomplishes this. In section III to follow, the Joseph narratives of Genesis 37-50 are examined to help us discern the conditions under which more centralized social arrangements may become necessary.

A

Life in early (pre-monarchic) Israel, as defined and constrained by the covenant relationship with God to which the people committed themselves, is offered to us as an ideal norm. Two sources provide information of this society, archaeological recoveries along with general historical and sociological attempts to reconstruct life in that period, and particularly the document which governs the covenant relationship (the Pentateuch). Both sources bear testimony to a unique society amidst the surrounding nations of the day.

Scholars continue to debate how Israel came to possess the land of Palestine, whether through the invasion story told in Joshua or (the leading alternative) by run-away slaves and other fringe peoples from Canaanite city states and other parts of the Near East (which could include a small band from Egypt) slowly filtering into the eastern hill country of the land and forming into a nation around the God who's name was Yahweh.¹⁵ In whatever way Israel came into being, all views grant a unique social composition: a people who had been politically and economically disenfranchised from the existing centers of power, and a people comprised of disparate cultural traditions.¹⁶ Norman Gottwald, the leading scholar to use a

¹⁴J. Goldingay, Approaches to Old Testament Interpretation (Downers Grove, Illinois: Intervarsity Press, 1981), p. 57. See also C. Wright's An Eye for an Eye: The Place of Old Testament Ethics To-day (Downers Grove, Illinois: Intervarsity Press, 1983) for a compatible position.

¹⁵See J. Bimson, 'The Origins of Israel in Canaan: An Examination of Recent Theories' Themelios 15:4-15 (October 1989). V. Fritz ('Conquest or Settlement: The Early Iron Age in Palestine' Biblical Archaeologist 50:84-100 (June 1987)) argues that house construction suggests the invasion hypothesis, while other evidence indicates infiltration.

¹⁶If the biblical record offers true historical evidence: Judah's wife and daughter-in-

sociological model to explain the emergence of early Israel, describes that society as:

. . . an egalitarian, extended-family, segmentary tribal society with an agricultural-pastoral economic base. [A society] characterized by profound resistance and opposition to the forms of political domination and social stratification that had become normative in the chief cultural and political centers of the ancient Near East.¹⁷

Obviously the political and economic structures chosen by a society with such sensitivities would guard against the dangers of centralized power. It is difficult to reconstruct these structures on the basis of archaeological evidence,¹⁸ and the appeal at this point typically turns to the normative governing institutions as specified in the Pentateuch as being close to what actually existed. We need therefore to understand the nature of this document. Moshe Greenberg writes: ‘Torah is mainly legislating, constitutional literature, laying down in God’s name rules and standards of individual and corporate behavior, aimed at fashioning Israel into a whole people.’¹⁹

That Israel’s God would dictate a set of social arrangements as the norm for society is not at all unique to early Israel. What is unique is that dictation does not flow from the mouth of a king,²⁰ along with the severe political and economic constraints placed upon the cult in Israel. Kings of the surrounding nations were spokesmen for the gods, and the religious leaders had considerable political influence and often amassed substantial economic wealth as part of their sacral duties. As a consequence both king and temple often possessed great

law were Canaanite (Gn. 38), Joseph’s wife was Egyptian (Gn. 41), Moses married a Midianite (Ex. 2). The infiltration hypothesis yields an even greater cultural mix.

¹⁷N. Gottwald, *The Tribes of Yahweh* (Maryknoll, New York: Orbis Books, 1979) p. 389. See also C. H. J. DeGeus, *Tribes of Israel* (Amsterdam: Van Gorcum, 1976).

¹⁸F. Frick, *The Formation of the State in Ancient Israel* (Sheffield: JSOT Press, 1985) offers a useful review of the archeological record regarding the state. ¹⁸See: L. Stager, ‘The Archaeology of the Family in Ancient Israel’ *Bull. of the Amer. Schools for Oriental Research* 260:1-35 (Nov. 1985); and D. Hopkins, ‘Life on the Land: The Subsistence Struggles of Early Israel’ *Biblical Archaeologist* 50:178-91 (Sept. 1987), for careful accounts of what life for the normal Israelite would have been like.

¹⁹M. Greenberg, ‘Biblical Attitudes Toward Power: Ideal & Reality in Law & Prophets’ in E. Firmage, et. al. (eds.), *Religion & Law: Biblical-Judaic & Islamic Perspectives* (Winona Lake, Indiana: Eisenbrauns, 1990), p. 102 (footnote 1).

²⁰The Bible assigns these words to Moses, as much prophet as political leader--a leader who

so displeased God that he was not allowed to enter the promised land (hardly the nature of king who spoke for the gods in the surrounding nations).

economic and political power. In contrast, Israel ideally would have neither king²¹ nor standing army.²² Those responsible for Israel's cult (the sons of Levi) were granted no allotment of land and thus were dependent upon voluntary offerings for their provisions (Nbs. 18:8ff)--with numerous admonitions to other Israelites not to forsake them (Dt. 12:19 e.g.).

What we have in Israel therefore is a centralized (yea universal) ethical/legal canon, but the absence of a centralized state or temple to enforce and interpret it. Interpretation and enforcement of this 'constitution' was to be accomplished at the local level by the community elders (heads of large extended families) gathered typically at the administrative/judicial 'common' of the time, the main gate into and out of the city ('elders at the gate').²³ Administrative and judicial functions were joined in the actions of the ruling elders, and a popular element surrounded their decisions and actions. The carefully controlled nature of the American courtroom in the late twentieth century hardly was the case. The deliberations and testimony were carried out before the people, and if capital punishment were decreed then this was accomplished through stoning by all the citizens of the community (Nbs. 15:35 e.g.).

A telling passage from the wisdom literature offers rich insight into what we believe was the normative nature of the Israelite 'state' in the pre-monarchic era.

When I went to the gate of the city and took my seat in the public square, the young men

²¹I see no other way to interpret I Sam. 8. An earthly kingship was not God's preference for Israel. In a review article of G. Gerbrandt's Kingship According to the Deuteronomistic History, David Howard argues that the Bible is pro-kingship. The king however must not be one 'like the other nations have' (I Sam. 8:5), but a king who would be like Moses and Joshua and lead himself and his people into submission to the standards of the Pentateuch--the normative standard I am arguing. See D. Howard, 'The Case for Kingship in Deuteronomy & the Former Prophets' Wexminster Theol. Jnl. 52: 101-115 (Spring 1990).

²²That there were military encounters is obvious, given the already occupied nature of the region where the Israelite tribes settled. The books of Joshua and Judges recount a number of these. In the biblical accounts however, the leadership arose from common men (and women--Judges 4-5), and were not part of a continuing military hierarchy, and the troops were raised popularly as needed.

²³An extensive number of studies have examined this part of Israel's structure. See: R. Wilson, 'Enforcing the Covenant: The Mechanisms of Judicial Authority in Early Israel' in H. Huffmon, et. al. (eds.), The Quest for the Kingdom of God (Winona Lake, Indiana: 1983) pp. 59-75; H. Boecker, Law & the Administration of Justice in the Old Testament & Ancient East (Minneapolis, Minnesota: Augsburg Publishing House, 1980); K. Whitlam, The Just King: Monarchical Judicial Authority in Ancient Is-rael (Jnl. for the Study of the Old Testament, Supp. Series 12 (Sheffield: JSOT Press, Dept. of Biblical Studies, Univ. of Sheffield, 1979); J. Salmon, 'Judicial Authority in Early Israel: An Historical Investigation of Old Testament Institutions' (Princeton Theological Seminary doctoral dissertation, 1968).

saw me and stepped aside and the old men rose to their feet; the chief men refrained from speaking and covered their mouths with their hands; the voices of the nobles were hushed, and their tongues stuck to the roof of their mouths. Whoever heard me spoke well of me, and those who saw me commended me, because I rescued the poor who cried for help, and the fatherless who had none to assist him. The man who was dying blessed me; I made the widow's heart sing. I put on righteousness as my clothing; justice was my robe and my turban. I was eyes to the blind and feet to the lame. I was a father to the needy; I took up the case of the stranger. I broke the fangs of the wicked and snatched the victims from their teeth. (Job 29:7-17)

Job joins the other elders before the people in the 'public square.' In such capacity righteousness and justice are the legal norms, which clearly meant a special concern for weaker members of the community. These 'judges' hardly are passive officials. Job saw himself as eyes to the blind and feet to the lame and father to the needy. The picture is one in which these community overseers (the state) not only issued decisions to contested claims, but actively intervened to make sure that righteousness and justice characterized the community. The normative standard for all this, the standard which decreed righteousness and justice--and which specified these norms in a vast number of cases, was the Pentateuch/Torah.

Turning to the economic structures of early Israel, most citizens were involved in some form of agriculture, whether crops or animals, and most market dealings in goods and money derived from this economic base.²⁴ The Pentateuch clearly is concerned to prevent an inappropriate concentration of landed wealth. This is seen best in the various 'sabbatical' laws which make what must be seen in the context as short-term business loans, as compassionate as possible: zero interest and cancellation of any remaining balance after six years.²⁵ The best known of these laws is the Jubilee provision (Lev. 25:8-34), which every

²⁴It is clear that interest on loans needed to maintain basic sufficiency were proscribed (Ex. 22: 25, e.g.). It is not as clear that loans other than these would have been interest free; Dt. 23:20 allows interest to be charged foreigners (very likely loans not needed for subsistence). Just weights and measures were to be used (Lev. 19:36) and boundary stones were not to be moved (Dt. 19:14); clearly there is a concern for carefully drawn and protected property rights.

²⁵The summary arguments here are drawn from a detailed study of these provisions in J. Mason, 'Biblical Teaching & Assisting the Poor' *Transformation* 4:1-14 (April/June 1987). The ideal provision for a family facing difficulty would be a loan without collateral. Lacking this a loan supported by the labor (bonded servitude) or land of the family would be

49th year returned to the family of original ownership lands that had been taken for non-payment of loans.²⁶

It is illustrative to the argument being advanced to observe that ideally the provisions for assisting poorer Israelites would be handled interpersonally, with no need for state intervention. The stronger (yet poor) family would approach and receive a compassionate loan from a neighboring family; the weaker family would be allowed to glean in local fields. Assume, however, that a creditor demands interest or payment in the seventh year, or that a legitimate gleaner is denied access to a farmer's field. The offended party could complain to the 'elders at the gate,' who would be compelled to make a ruling. The ideal response would be a call for the offending party to respect the law--a judicial intrusion requiring no further action. Were this response to fail however, the elders most likely would become an administrative body and assure the poorer family of adequate assistance--in which case the social arrangement becomes more centralized.²⁷

Citing especially such provisions as those barring interest, freeing slaves, and cancelling debts, Greenberg views as their purpose to □ distribute material resources among the people with a clear tendency toward equalization. A focus of human power to rival that of God is precluded.²⁸ My reading of this same material finds an egalitarian bias, but not a norm of economic equality. The more likely ideal is the picture drawn in a number of places throughout the Old Testament, where each man (extended family) is able to 'sit under his own vine and fig tree' (Micah 4:4, e.g.): a setting in which the family has sufficient access to economic means to feel content and secure and not oppressed by larger forces. Such a setting--part of what 'shalom' means in practice--does not require equality by any means.²⁹

arranged.

²⁶See J. Mason, 'The Biblical Jubilee & □ Human Capital' Provision' Background Paper No. 90:1, Center for Public Justice (321 Eighth St., NE, Washington, DC 20002).

²⁷Ideally the poorer member would be bold enough to make the appeal, and ideally the elders would respond compassionately. We know however from the prophetic complaints that this ideal too often fell short; the list of citations are too numerous to mention (Jer. 5:28 and Amos 8:1-6 are representative). The wisdom literature likewise affirms the pentateuchal ideal; see Job's complaint (24:2-5) and defence (29:12-17), and the Psalmists description of the Godly king (Ps. 72:1-4, 12-14). Luke's account of Christ's teachings are rich in affirming testimony (6:20-26, 16:19-31, among other references).

²⁸See M. Greenberg, *op.cit.* (note 19 above), p. 107.

²⁹See the discussion in my 'Assisting the Poor' paper *op.cit.* (note 25 above). There are equality motifs in Scripture: the allocation of land (Nbs. 26:52-56--equal shares, though unlikely equal productivity), David's distribution of the booty (I Sam. 30:21-25), Ezek. 47:14,

Some years ago Neal Soss argued that were each of the pentateuchal provisions given their literal significance, Israel would have been severely limited in economic potential: the weekly sabbath rest along with the various festivals would lead to lessened productive effort; the interest rate restrictions would dry up the capital markets; the seventh year land sabbath and 49th year land redistribution would discourage both the accumulation of capital and investments to improve the productivity of the land.³⁰ As a consequence he (along with many others) views the provisions as utopian and not intended to be realized. He protests too much.

We must recall that these ‘radical’ provisions were part of the same Pentateuch that called for six days of labor (Ex. 20:9) and were set in a social context that would have disciplined shirking.³¹ The main provisions for assisting poorer Israelites required work: the compassionate loan already noted for a stronger family, and gleanings for a weaker family or individual. Viewed in the context of the late twentieth century, such emphases and practices would contribute to rather than detract from productivity within society. Comparing the sabbatical laws to modern bankruptcy contracts, designed in part to ‘prohibit a suit against children for a parent’s unfortunate contingencies,’ and codified as law in order to prevent shirking, Kurt Schaefer argues that Israel’s sabbatical laws:

. . . were workable, and indeed that all parties in question may have had reason to voluntarily enter into such a body of law. The laws do not require (and may not permit) a large role for a central economic authority to dispense subsidies and limit contracts, and the laws would likely contribute to economic vitality and growth.³²

and II Cor. 8:13. The much larger instruction of Scripture allows some economic inequality without sharp condemnation.

³⁰N. Soss, ‘Old Testament Law & Economic Society’ Jrnl. of the History of Ideas XXXIV:323-344 (July-Sept. 1973). Morris Silver argued similarly in Prophets & Markets: The Political Economy of Ancient Israel (Boston: Kluwer-Nijhoff Publishing, 1983), though he suggests the troublesome provisions were composed by the prophets during the monarchic era and did not apply earlier in Israel’s history.

³¹The apostle Paul admonishes the Christians of his day to work diligently, not only when the eye of their employer is upon them but as if they were working for the Lord (Col. 3:23-24).

³²K. Schaefer, ‘Contract Theory, Justice, & the Hebrew Sabbatical Laws’ (unpublished pa-per), p. 2 (underlining his). Morris Silver argues that the ancient world in general faced high trans-actions costs, and consequently religious constraints like those considered here (assuming the economic actors feared punishment by the gods) could create greater certainty about the honesty of traders, the diligence of employees, and the value of specie. M. Silver, ‘The Gods as Inputs & Outputs of the Ancient Economy’ (paper presented

In the ancient Near East, provisions which limited the arbitrary concentration of economic and political power and protected personal property rights, most likely led to greater levels of economic growth than otherwise--even as we understand the growth process several millennia later.

The argument to this point primarily has been descriptive, observing the Pentateuch's preference for decentralized social arrangements. To fully grasp the ethical emphases of the biblical materials for current social realities, we must push farther and wonder what this institutional setting was designed to achieve. Two objectives seem likely. First, most commentators have identified the concern to structure a society free of the dangers residing in concentrated political and economic power. The Bible mentions specifically economic oppression (yea slavery) and an insensitivity to the weaker members of society, the abuse of power for selfish aggrandizement, and especially the tendency to forego reliance upon God.

The second objective is less obvious though more basic, and in the final analysis may well subsume the first. What God wants above all is for men and women to trust and honor Him in every way. We should expect therefore to find social arrangements geared to this end. The Pentateuch's foundational affirmation of the (extended) family comes into focus here. The family was most accountable in Israel for religious instruction in order to raise-up each new generation to trust and honor God. As we continue to experience to the present, stable families are necessary to help weather the inevitable vicissitudes of life, whether economic or otherwise.³³ Therefore, each family must be preserved and kept economically viable, and the Pentateuch shows great concern for this.

For the family to train children who will fear God there must be opportunities for the development of strong character. As the grand faith chapter of Hebrews 11 reminds us, men and women seeking to obey God often must endure great persecution, suffering, and temptation. Care must be taken therefore to instil within young men and women the character needed for the journey of life. The last shoe now drops. A social environment populated

to the Southern Economic Association, Nov. 1983).

³³The family unit assumed in the Pentateuch is the extended family of several generations. The apostle Paul, for example, admonishes granddaughters to financially assist their grandmothers so that they will not become a burden upon the local church community (I Tim. 5). Contemporary reality seems adrift in problems arising from broken nuclear families (let alone the long-forgotten extended family). Asians have been among the most economically successful ethnic groups within the United States, and in good part because of the continued existence of the extended family.

with decentralized political and economic institutions may well allow far greater opportunity for the development and testing of strong moral character.

Forming strong character requires instruction in the standards of right and wrong and what pleases God, to be sure--and to this the family must be committed. Beyond this instruction however, there must be opportunities for experimentation: for taking responsibility, making decisions, and bearing risks. Young men in early Israel had to be ready to bear arms, for example. All Israelites had to be prepared to exercise judicial discretion ‘at the gate,’ whether in the role of elder or surrounding community member. Preserving a social climate that offers the potentials for God-pleasing character formation therefore becomes an essential part of the normative society.

I interpret the priority assigned to maintaining strong extended families, and hence a concern for the development of moral character, to lend a ‘populist’ bias to the economic and political environment.³⁴ It is interesting in this regard that so many contemporary societies maintain (occasionally with some embarrassment) special policies to encourage and to protect small businesses.³⁵ The norm of each family owning its own vine and fig tree fits nicely into the concern for decentralized social arrangements that allow the experimentation that will be helpful for developing strong moral character. As noted above, the pentateuchal provisions should contribute to strong economic growth, and ideally this growth would strengthen the family and help preserve an environment replete with decentralized social institutions. But if economic growth threatens the family and/or unduly limits opportunities for experimentation, the prior commitment is to strong families and decentralized arrangements.

^{34.}Populism has meant different things, from the views of ‘ordinary folk’ (as opposed to an intellectual elite), to an expansionary monetary regime designed to lower nominal interest rates, to a distrust of concentrated economic power (even where this may seem justified because of internal firm efficiencies). This last sense is what I have in mind here. In the U.S. this distrust is reflected in the well-known words from Justice Learned Hand’s decision limiting Alcoa’s monopoly control of the aluminium industry: ‘It is possible, because of its indirect social or moral effect, to prefer a system of small producers, each dependent for his success upon his own skill and character, to one in which the great mass of those engaged must accept the direction of a few.’ U.S. v Aluminium Co. of America, 148 F.2d 416ff (1945). Several recent studies seem to be groping towards this recognition; I mention especially C. Lasch, *The True & Only Heaven* (New York: W.W. Norton & Co., 1991).

^{35.}They need not be so apologetic, though clearly the measures adopted should be as efficient as possible given their otherwise intention to assist smaller firms. The U.S. price support policy in agriculture, for example, appears to have helped larger farms more than smaller ones.

The argument advanced in this section can now be summarized. In the normative experience of early Israel we find guidance for all nations. At the heart of this early society was the Pentateuch, which served as a central, ethical standard. The major responsibility for instilling this standard in the minds and hearts of each new generation lay with the family. Moreover, a proper society must help its citizens weather the inevitable contingencies of life on earth, from procuring food for one's family, to building walls around the local community, to carrying a sword in defense of the nation. Once again this task best is accomplished by maintaining strong (extended) families.

Families therefore had to be built-up and preserved. To this end, the Pentateuch calls for decentralized political and economic institutions: decentralized administrative/judicial system to enforce and to interpret the standards of the covenant; and decentralized economic power to allow opportunities for the formation of strong moral character. The resulting social environment should assist in the maintenance of strong families, of living lives in obedience to God, and of bringing the moral standards of the Pentateuch to a needy world. Observing how Torah was to be taught to children by their parents and generally disseminated among the people, Moshe Greenberg notes:

The promulgation of the Torah serves, in the first instance, the ideal of making Israel a kingdom of priests; it is also the basis of the common responsibility of each for all (e.g., the collective penalty imposed on the community that failed to prosecute a notorious idolater, Lev. 20:4-5). But at the same time it implicitly heightens the worth and weight of the individual: by imparting information to her or him, both individual accountability and individual power are increased. Duties toward others are matched by the rights she or he may claim from others.³⁶

B

When we turn to the experience of early Israel under the monarchs, are there insights that extend or limit the lessons just discerned? The first thing to note is the difficulty in avoiding negative assessments of this period in Israel's history, both within the text and in commentary upon it over the centuries. The people request-ed a king 'such as all the other

³⁶M. Greenberg, *op. cit.* (note 19 above), p. 108. Similarly: 'In comparison with other biblical and ancient Near Eastern traditions of law, the *differentia specifica* of the Deuteronomic legislation is most conspicuous in its concern to empower a broad constituency of the community whose integrity and political independence it seeks to protect. S. Dean McBride, 'Polity of the Covenant People: The Book of Deuteronomy' *Interpretation* XLI:229-

nations have' (I Sam. 8:5) and unfortunately too many of their desires were realized (as Samuel predicted--I Sam. 8:11-18). Walter Brueggemann's observation represents a typical contemporary characterization:

The radical experiment of Moses is given up and there is in Israel an embrace of the very imperial notions rejected from Egypt. This imperial consciousness combines a religion of a static, guaranteed God together with a politics of injustice and social domination, precisely antithetical to the religion of the freedom of God and the politics of justice introduced by Moses and kept alive in the community of pre-monarchic Israel.³⁷

Solomon's behavior in amassing horses and wives and silver and gold quite clearly violates the explicit warnings of Dt. 17:14-20. During Solomon's reign Israel attained levels of economic wealth and political influence not known before. Yet the prophets complained that the rights of the poor were not being protected (Amos 2:6-7, 5:12 e.g.)--with the reasonable inference that the independent family base within Israel was being eroded. Given this outcome, the political influence and economic wealth were to be rebuked rather than applauded. The unfortunate reality is that as the monarchies progressed the potential for rectifying the moral anarchy that had developed during the latter years of the Judges (represented by the well-known passage sprinkled throughout Judges 17-21--e.g. 21:25) was wasted.³⁸

Though the social danger of concentrating political and economic power generally gets emphasized today, the greater peril may have lay in joining state and temple and thereby appropriating the true King's name for unrighteous ends. McKenzie notes: 'As Solomon enthralled Yahweh as a patron of the dynasty, so David initiated the process by which Yahweh ceased to be god of Israel and became god of the king. The liberator god had become the symbol and the patron of an oppressive oligarchy.'³⁹

244 (July 1987).

³⁷W. Brueggemann, 'Trajectories in Old Testament Literature & the Sociology of Ancient Israel' *Jrnl. of Bib. Lit.* 98:161-185 (June 1979) p. 169.

³⁸Judges 21:25 (see paper title below) often is seen as support for a positive view of the king-ship--the presumption of moral anarchy absent a more centralized administration of justice. W.J. Dumbrell 'In Those Days There Was No King in Israel; Every Man did What Was Right in His Own Eyes': The Purpose of the Book of Judges Reconsidered' *Jrnl. for the Study of the Old Test.* 25:23-33 (Feb. 1983), argues against this standard interpretation of the passage.

³⁹J. McKenzie, 'The Sack of Israel' in H. Huffmon, et. al. (eds.), *Quest for the Kingdom of God* (Winona Lake, Indiana: Eisenbrauns, 1983), p. 33.

Granting the various problems of the monarchy, we must wonder how powerful in fact these kings were.⁴⁰ They could not prevent Israel's sacred documents (many of which we believe were prepared during their watch) from saying so much that was negative about the idea and practice of the kingship; the kings may have possessed undue political and economic power, but they could not prevent God from expressing a realistic assessment of the dangers in doing so. In other words, God did not want Israel's kings to be like those in the other nations, and in fact they did not possess such powers.⁴¹ Israel's king was to be a steward of the covenant conditions of the Pentateuch, and seek to establish justice and righteousness (I Kgs. 10: 9), with special concern for the weaker members of society (Ps. 72:1-4, 12-14). He was to protect property rights (contra Ahab--I Kgs. 21) so that each family could sit under its own vine and fig tree. He was, we can safely presume, to be an example for all Israelites of one who raised his children to fear the Lord, and who structured opportunities for the formation of strong moral character.

New Testament teaching is not concerned with the ethics of social structures in the same way as the Pentateuch. To be sure, the true intentions of the pentateuchal provisions find affirmation in the maxim to love our neighbor as ourself. The New Testament exudes a very lively concern for interpersonal ethics and ethics within Church communities, and these provide an important underpinning to an ethic concerned with social structures. We find in the New Testament a compelling motivation to live out the standards of the Pentateuch when we contemplate to what length God went to draw us to Himself (Is. 52:13-53:12). All this acknowledged, the primary concern of the New Testament is with the person and work of Jesus Christ, He who is the incarnate expression of the new covenant announced in Jeremiah 31:31ff (Heb. 8). Through Christ forgiveness is offered as the basis for reconciliation with God and as a norm in dealings with one another.

⁴⁰See R. Wilson, 'Israel's Judicial System in the Pre-exilic Period' *Jewish Quart. Rev.* LXXIV: 229-248 (Oct. 1983), and his argument that David's power may not have extended much beyond Jerusalem. Unlike Egypt (with easy transportation along the Nile) or even the Canaanite city-states on the plains of western Palestine, exercising central control over all of Palestine in an age without helicopter gun-ships would have been very difficult.

⁴¹Christopher Wright views God as granting reluctant approval of the kingship: '[The monarchy], like certain other human conditions of life which the law permits but never wholly approves, such as divorce and slavery, is a concession to human □hardness of heart': permitted but transient.' *op. cit.* (note 9 above), p. 7. In a paper otherwise critical of the monarchy in Israel, Millard Lind still argues cogently for the unique nature of Israel's king. See 'The Concept of Political Power in Ancient Israel' *Annual of the Swed Theol Inst.* 7:4-24 (1968-69).

There are at least two things to be noted from the New Testament relating to the questions of this paper however: the explicitly political nature of Christ's ministry on earth, and the pluralistic context in which Christ's ministry and the Church were placed. As John Howard Yoder argued some years ago, and N.T. Wright more recently, Christ's strategy in ministry must be seen as intentionally political.⁴² The period in time that God chose to send Christ to earth was a politically-troubled one in Palestine. Jews desired recovery of their land from Roman control, and there had been Zealot revolutionary activity. Christ's close relationship with an exclusive band of disciples, and His popular ministry in the countryside, only could be perceived in political terms by the Roman rulers. The Palm Sunday march into Jerusalem would have carried political significance for Jewish religious leaders. In other words, both state and temple would have been alarmed by Christ's ministry. As Yoder observes, the trial of Jesus (involving both temple and state) was all too real (and deadly), for opposing social realities were at the heart of these proceedings. The way of the Pentateuch was pitted against the way of Rome (and Egypt and Babylon).⁴³

A few years later Paul would announce that at the name of Jesus every knee should bow and every tongue confess that Jesus Christ is Lord (Phil. 2:10-11). In this regard, Wright observes:

In the light of Phil. 2:11 and Acts 17:7, I suggest that Paul's idea of 'proclaiming Christ' had little to do with offering people a new religious option, a new private experience of the love of God, and far more to do with the announcement to the world at large that the crucified and risen Jesus was its Lord and King, the one before whom every knee must bow. This is fighting talk, the sort of thing that gets you in trouble with authorities, and that is exactly what we find in Acts and the letters.⁴⁴

The New Testament message then is fully consonant with the Pentateuch's concern to limit the power of the state and temple, and to acknowledge the true King of all creation; we must presume the same objectives would be served by this social environment as were discerned above. Jesus's burden for the poorer members of society stands in clear conformity with the

⁴²See J. H. Yoder, The Politics of Jesus (Grand Rapids, Michigan: Eerdmans Publishing Co., 1972); N.T. Wright, 'The New Testament & the 'State'' Themelios 16:11-17 (Oct.-Nov. 1990).

⁴³Yoder sees the main temptation of Christ in assuming conventional political power, rather than the more difficult alternative of love.

⁴⁴N.T. Wright, op. cit. (note 42 above), p. 14.

Pentateuch.⁴⁵

If there is continuity in the perceived dangers over centralized social arrangements, the New Testament does address a changed social setting than that found in much of the pentateuchal instructions--and this remains so to the present. The theocracy of early Israel had come to hold eschatological significance, as Christians were instructed to anticipate the new Jerusalem, wherein the standards of the Pentateuch would find perfect expression. For the New Testament world, as for today, God's people must live within social settings that have come to be called 'pluralistic' (set-tings that often do not allow outward acknowledgement of Christ as Lord). Indeed, we should not be surprised if persecution awaits us because we name Christ as Lord.

Within this new social arena, facing possible persecution, we nonetheless are called to help erect and reform social structures that embody the ethical emphases of the Pentateuch. Our strategy for doing so changes along with the changed social environment. On the one hand we are to gather as God's people into distinct 'value communities' (churches), in which we find help in building strong families and nurturing children with strong moral characters. Within our church communities we offer models to the world of the redeemed structures of the Pentateuch, testifying to the norms of justice and righteousness, and reaching out to the poor. We also find ourselves part of the larger civil community, at least as citizens and often as employees. Contra Yoder, I submit we are to participate willingly in the civil community, seeking to put in place and to reform social structures that reflect the ethical sensitivities of the Pentateuch. We do so because of God's common grace concern for all people, and as servants seeking to 'feed' the world and help bring all of God's creation under His Lordship.⁴⁶ Joseph's strategic role in Egypt offers helpful insight in this task, and I turn to this narrative in section III of the paper.

III

^{45.}'On the cross politics and religion, as well as love and justice and a host of other abstractions, meet and merge.' N.T. Wright, *ibid.*, p. 13.

^{46.}Regarding Romans 13 and Paul's admonition to submit to the governing authorities, N.T. Wright argues: 'the God of Israel is precisely the creator, the God of the whole world, and when he acts to redeem his people this will be the means of blessing for the whole world.' (13) And later: 'Paul's point is not the maximalist one that whatever governments do must be right and that whatever they enact must be obeyed, but the solid if minimalist one that God wants human society to be ordered; that being Christian does not release one from the complex obligations of this order; and that one must therefore submit, at least in general, to those entrusted with enforcing this order.' (15) *Ibid.*

If great decentralization in social arrangements should characterize a God-pleasing society, what are we to make of the Joseph narrative in Genesis 37-50? Therein we find the use of extreme centralization--and with what seems to be the narrator's approval. Can this narrative be made to fit with the argument presented in section II? Or are those portions of the Joseph story which record extreme economic centralization merely ancillary to the main point of the narrative, carrying little normative content? Yes and then no. My argument is that the economic centralization is necessary to the narrative's instruction to us, and represents a refinement to the Bible's general preference for social decentralization.

Most readers will be familiar with the Joseph narrative.⁴⁷ What seems like a spoiled and unpleasant younger brother is sold into slavery by his jealous siblings. Joseph undergoes many years of servitude and obvious humiliation (witness the episode with Potiphar's wife--Gn. 39): an experience and a time during which he sheds his youthful immaturity to develop both a burden for healing within his family and leadership traits worthy of managing a national economy. Quite clearly a good deal of moral character development occurred during this period. Through God's help in interpreting dreams he ultimately rises to a position of great authority in Egypt, where he is situated to save Israel from starvation. One primary plot-line involves considerable intrigue as Joseph seems to 'play' with his brothers when they come to Egypt to purchase grain. Joseph achieves his ultimate objective how-ever, when Judah now offers himself sacrificially for Benjamin so that Jacob would not die from grief at the loss of a second much-loved son (Gn. 44:14-34).⁴⁸ The brothers are repentant for their youthful act of jealousy; an earlier, rebellious Judah (Gn. 38) demonstrates sacrificial love for his father; Joseph reveals himself, and a broken family is reconciled! Surrounding this grand drama which affirms the fundamental importance of the extended family, the emerging

⁴⁷.Three major works (in English) treat this subject: C. Westermann, Genesis 37-50: A Commentary (Minneapolis: Augsburg Publishing Co., 1982); G. W. Coats, From Canaan to Egypt: Structural & Theological Context for the Joseph Story (Washington: Catholic Biblical Assn. of America, 1976); D. Redford, A Study of the Biblical Story of Joseph (Leiden: E.J. Brill, 1970). In addition to Westermann, I found the following commentaries most helpful: G. Ch. Aalders, Genesis (Grand Rapids, Michigan: Zondervan Publishing House, 1981); M. Kline, 'Genesis' in D. Guthrie, et. al. (eds.) The New Bible Commentary, Rev. (Grand Rapids, Michigan: Eerdmans Publishing Co., 1970); G. von Rad, Genesis: A Commentary (Philadelphia: Westminster Press, 1961).

⁴⁸. 'There is a path that leads from the Joseph story right up to the very threshold of community; the healing of a breach is possible only when there is one who is ready to take the suffering upon oneself.' C. Westermann, *ibid.*, p.138.

‘people of God’ (Israel) is saved from starvation and provided a separate region within Egypt in which they can live out their commitment to Yahweh--a concern for cultural distinctiveness.

Virtually all commentators agree that the narrative is a ‘great story,’ and because of this source critics typically are willing to see in this narrative a single author.⁴⁹ A general consensus of commentators argues that this traditional narrative was compiled during the monarchies of David and/or Solomon. As noted, a primary purpose is the reconciliation of an estranged family. Of equal importance is the theme running parallel to this, concerned to save Israel from extinction as a result of the famine along with the special steps taken to physically locate Jacob and his family in Egypt (Gn. 46:31-47:12). As the narrative states at two occasions (Gn. 45:5-7, 50:19-21), Joseph was sent into a strange country and suffered great wrong ‘. . . to preserve for you a remnant on earth and to save your lives by a great deliverance.’ The position of influence to which Joseph ascended--and the economic concentration that he affected--made the physical salvation possible. Moreover, and what is virtually unrecognized by the commentators, Joseph’s power created for Israel a ‘cultural distance’ in a non-Yahwistic society, within which to live as a distinct value community. Since God could have provided food to Israel in a number of different ways (dropping manna from heaven; turning a few loaves and fishes into food for multitudes), the fact that He did so in this way carries special significance for us.

The centralization theme surfaces at two points in the narrative, after Joseph correctly interprets Pharaoh’s dreams and is made ‘vizier’ of Egypt (Gn. 41:39-57), and after Jacob and his entourage arrive from Palestine and have a hearing before the pharaoh (Gn. 47:13-26). Most commentators view Gn. 41-39-57 as part of the self-contained story. In this long passage Joseph is made second-in-command in Egypt, takes responsibility of at least the agricultural portion of the Egyptian economy, and stores great amounts of grain during the

⁴⁹The two major textual exceptions for some are Gn. 38, which tells of Judah’s rebelliousness in running off to marry a Canaanite woman and his later ‘adultery’ with his daughter-in-law, and Gn. 47:13-26, the passage of great interest to this paper. As one trained neither in biblical languages nor literary criticism, I find Gn. 38 as necessary to the narrative--for two reasons: Judah’s early rebellious-ness sets-up perfectly the commitment to family unity in Gn. 44:14-34; Gn. 38 testifies to a concern for maintaining the exclusivity of a distinct value community, which was one of the outcomes of Joseph’s administration establishing Israel in Egypt. Aalders commentary (*op. cit.*, note 47 above) at p. 191, and C. Keil & F. Delitzsch [*Commentary on the Old Testament: The Pentateuch*, vol. 1 (Grand Rapids, Michigan: Eerdmans Publishing Co., 1975)] at pp. 374-5, suggested this latter insight.

seven years of plenty. No mention is made of concentrating ownership of the land under the pharaoh, only that Pharaoh told all the Egyptians to do what Joseph tells them (which, it must be noted, leads nicely into the Gn. 47:13-26 passage). Joseph then sells the grain to the Egyptians (and to all the nations) during the seven years of famine. Selling grain repeatedly over such a long time period would deplete a normal citizen's savings early-on, and inevitably lead to some variation of the outcome specified in Gn. 47:13-26.

Gn. 47:13-26, on the other hand, often is dismissed as not part of the self-contained narrative and out of keeping with the remainder of the story. In this passage the people of Egypt mortgage and then lose their livestock, their money runs out, and they then place both their bodies and land into the hands of the pharaoh in exchange for grain. Having overseen all of this Joseph then establishes a share-cropping arrangement with the people, asking them for annual payments of 20% of their crops. For Coats, this passage 'makes no real contribution to the Joseph story.'⁵⁰ Westermann views it as 'an appendage' that 'has no function in the narrative span of the Joseph story.'⁵¹ Conservative commentator Aalders apologizes for the pas-sage, finding it at best 'ethically neutral.'⁵² As noted in the previous paragraph, however, there seems to be obvious continuity between the two accounts. I argue below that even the more troublesome portions of the second account can be interpreted in a more favorable light.

It is useful to review briefly what a number of commentators have made of the centralization accounts. Alders views the extreme centralization and trouble-some enslavement of the Egyptian people (47:21) as a way ' . . . to graphically describe the severity of the famine.'⁵³ K.A. Kitchen observes that Joseph ' . . . simply made Egypt in fact what it always was in theory: the land became pharaoh's property and its inhabitants his tenants.'⁵⁴

⁵⁰G. C. Coats, *op. cit.* (note 47 above), p. 53.

⁵¹C. Westermann, *op. cit.* (note 47 above), p. 173.

⁵²' . . . the governmental policies that resulted from Joseph's regulatory measures can hardly be considered ideal when they are compared with the social and political implications of the Mosaic Law.' And again: 'Regardless of what conditions may have prevailed in Egypt at that time of which we are informed, we cannot escape the conclusion that this whole procedure on Joseph's part cannot be ethically and morally justified.' G. Ch. Aalders, *op. cit.* (note 47 above), pp. 256-7.

⁵³G. Ch. Aalders, *op. cit.* (note 47 above), p. 257.

⁵⁴K.A. Kitchen, 'Joseph' in J.D. Douglas (ed.), *The New Bible Dict.* (Grand Rapids, Michigan: Eerdmans Publishing Co., 1962), p. 659. If so, why did the compilers leave it in the narrative account passed on to us? Kitchen also writes: 'By wise planning [Joseph] averts

Brian McKenzie, perhaps following the lead of Kline, treats Gn. 47:13-26 as the fruit of ‘blessing’ that Jacob gave to the pharaoh in Gn. 45: 7-10. ‘[T]here is no other adequate explanation for the inclusion of an extensive account of Joseph’s land reforms.’⁵⁵

Working from the presumption that the narrative was compiled under the monarchy of Solomon, Roland deVaux interprets the land concentration as inserted to help justify Solomon’s desire to model Israel along Egyptian lines.⁵⁶ Others view the concentration passage in etiological terms to explain the then-existing reality in Egypt. For Coats: ‘It does not intend to present Joseph as a discreet and wise administrator. To the contrary, it builds an aetiology for a perpetual tax system in Egypt.’⁵⁷ Westermann sees the passage ‘. . . added by an author who had been impressed by the way in which land ownership was distributed in Egypt and wanted to derive it from Joseph and the measures he introduced.’⁵⁸

If we shift focus from the details of land centralization in Gn. 47:13-26, which trouble so many, to the general role of Joseph administering over a situation in which life-threatening catastrophe is avoided (for Egypt as much as Israel), the assessments become uniformly positive. Arguing that the narrative should be seen as a type of sapiential instruction, compiled by wisdom teachers at the time of Solomon, von Rad argues that it is designed to illustrate the nature of and prerequisites for wise state administration. Wise administrators must fear God and be self-controlled in order to avoid the temptations of office. Regarding Gn. 47:13-26, von Rad observes how appreciative the Egyptians were for what Joseph had accomplished (v. 25), noting: ‘Joseph, therefore, has accomplished the gigantic task of

the scourge of famine, thereby saving Egypt, Canaan, and his own family from starvation.’ (657)

⁵⁵B. McKenzie, ‘Jacob’s Blessing on Pharaoh: An Interpretation of Gn. 46:31-47:26’ *Westminster Theol. Jnl.* 45:386-99 (Fall 1983), p. 396. But why would God use means to bless Pharaoh so out of keeping with the much larger concern of the Pentateuch? ‘As Pharaoh opened the door of blessing to Israel (47:6), blessing was returned upon his house through the pronouncement of Jacob (47:7,10) and Joseph’s continuing wise administration (47:13ff). Cf. 12:3. Later, a reversal of Egyptian policy towards Israel would bring God’s judgment upon them.’ M. Kline, *op. cit.* (note 47 above), 111.

⁵⁶‘There was a general movement in Israel at this time towards an extension of the part played by the state and it is quite possible that some of the wise men at the court thought that the Egyptian land system was an ideal one.’ R. deVaux, *Early History of Israel* (Philadelphia: Westminster Press, 1978, p. 307.

⁵⁷G. Coats, *op. cit.* (note 47 above), p. 52. Once again, why did the compilers see it necessary to include the passage for this reason?

⁵⁸C. Westermann, *op. cit.* (note 47 above), p. 176. One more time, why include it for this reason?

preserving the people throughout the period of distress.’ And again: ‘The ancient narrator is honestly amazed and wants the reader also to be amazed at the way an expedient was found to save the people from a gigantic catastrophe.’⁵⁹

Again working from the compilers’ context during the reign of Solomon, Westermann argues that a purpose of the entire narrative was to help ease the transition of Israel from the agrarian, family-based setting of the patriarchs into the more centralized and urban setting of the monarchy.

The Joseph narrative is structured with a view to the question of the relationship between two forms of society, the family (chs. 37; 42-45) and the monarchy (chs. 39-41, 45-47). At the beginning, though only by way of hint, stands the brusque rejection of the monarchy by Joseph’s brothers; at the end, the cooperation of the monarchy in saving Jacob’s family. The narrative wants to set in relief the positive potential in the conflict over the rise of the monarchy in Israel, while at the same time making clear how the value of the family can be preserved under it.⁶⁰

With this range of different views as background, let us now stand back from the many details of the narrative and ask what objectives were accomplished by the centralized control Joseph exercised over the economy of Egypt. At least the following three outcomes are presented to us: Jacob’s family is preserved from starvation; Egypt is saved along with Israel; Jacob’s family is granted a physical location that allows cultural ‘space’ in which to avoid the dangers of intermingling that had been (and would be) so troubling in the land of the Canaanites. At the far end of these important accomplishments, however, lay slavery in the Egypt which knew concentrated political and economic power. Let us consider each of the elements in turn.

There is no doubt we are to be very impressed with the great severity of the economic reality facing at least the region of Palestine and Egypt in that historical era. Seven years of famine meant sure death for the masses of the population, with great suffering in the process

⁵⁹G. von Rad, *op. cit.* (note 47 above), p. 410.

⁶⁰C. Westermann, *op. cit.* (note 47 above), p. 248. Of the measures recorded in Gn. 41:39ff (and by extension Gn. 47:13ff, I suggest), Westermann writes: ‘This is stating clearly that in certain situations the gift of blessing must be supplemented by a well-thought-out policy which can be administered only by a central authority, so as to avert a severe disaster for the whole land and the hungry.’ (98)

[Should we eat your child or mine tonight?].⁶¹ Given this extremely grave reality, unusual institutional measures became necessary. The normal and normative reliance upon decentralized means would be too risky and thus inadequate. Grain must be stored and then allocated in ways to prevent engrossing, and to make sure that all citizens and not just a few received subsistence.⁶²

The use of centralized measures in the face of dire emergencies is not unique in the Bible to the Joseph narrative. The book of Esther records a very similar concentration of political power by one chosen of God to preserve Israel from extinction by sword rather than starvation. Though no standing army should exist in the settled state of pre-monarchic Israel, military threat did require a centralized response, with (for example) Deborah organizing Israel's thousands to assist the Lord in defeating Sisera (Judges 4). On a much smaller scale, when the widows of the Jewish Christians from Greece were being overlooked in the daily distribution of food in Jerusalem, the disciples structured a special (more centralization) means of administration (Acts 6).

God has not limited Himself in other portions of Scripture to such natural means as recorded here to handle our earthly problems; one thinks of the manna and water that turned up in the desert during the Exodus from Egypt, and how Israel was saved by what appears to be more miraculous means. What then are we to learn from the Joseph narrative? Is there ethical insight here, even in the more troubling portions of Gn. 47:13-26? It seems a guarded conclusion is that extreme (deadly) circumstances can warrant a more centralized response. It is difficult on the basis of the textual and extra-textual evidence to know whether the precise measures detailed in Gn. 47: 13-26 (beyond what we are given in Gn. 41:55) were necessary to this end, but we cannot discount this. Could it be that socio-economic conditions would have been worse in the midst of the extreme scarcity, were it not for the measures Joseph undertook in Gn. 47:13-26? I am uncomfortable with an argument from silence, but am unwilling so easily to condemn the measures or explain them away as some do.⁶³

⁶¹II Kgs. 6:28-29. One of the technical issues involving the Jubilee institution is whether the land was to lay idle one year or two (Lev. 25:11). Some exegetes argue the text only could mean one year, since no-one would survive on two years of natural growth.

⁶²A colleague in classics suggests that Israel would have been seen in Egypt as marginal citizens and likely to be overlooked in grain distribution, unless there were an unusual provision. Joseph's centralized position and power were necessary to assure Israel's receipt of grain.

⁶³I struggle to see how Westermann's suggestion that the larger narrative was designed to hold on to the family-based society in the movement to a monarchy might offer

Joseph's actions saved not only Israel, but also Egypt.⁶⁴ And the account tells us how thankful the Egyptian people were (Gn. 47:25). Once again, God was not compelled to do it this way. We find Israel in a foreign land (a pluralistic social setting?) and it seems that God respects that setting (blesses it?), at least for the season in which Israel is being established there. Joseph, who was always careful to acknowledge God as the source of his ability to interpret dreams (Gn. 40:8, 41:16) and to refrain from temptation (Gn. 39:9)--thus avoiding undue syncretistic involvement with the culture, nonetheless marries an Egyptian wife and takes an Egyptian name.⁶⁵ I draw from all this two lessons: God is concerned for all of his creation and not only Israel; God would have his followers strategically involved in the social institutions of an otherwise non-Yahwistic society in order to affect benefits for all--and that his followers can take on some of the 'ways of the world' so long as they do not hide their allegiance to Him.

More can be said in this regard that may help us understand Gn. 47:13-26. There had developed in Egypt, as part of the centralized political-economic over-sight of the country, an ideal standard (known as *Ma'at*) to govern such administration.⁶⁶ *Ma'at* creates order out of chaos, establishes regularity, and is concerned for justice. Although no record of law-codes in early Egypt are available to us that might regulate and constrain the power of the ruler, similar to what have been found in Mesopotamia, it is felt that *Ma'at* served this function. Some of the attributes of *Ma'at* were similar to provisions of the Pentateuch, regarding protection of poorer members of society.

It is quite conceivable therefore that Joseph's actions were seen as consistent with

justification for the centralization seen here [Westermann rejects the place of Gn. 47:13-26 in the true narrative.]. If the immediate context of early Israel were the political anarchy that Gottwald and Mendenhall sometimes suggest, then an argument for some political centralization (at least under these extreme conditions) would make sense. From the context of the present time and an easy reliance upon centralization for many of society's problems, the importance of emphasizing centralization is not as clear.

^{64.} 'Also, seek the peace and prosperity of the city to which I have carried you into exile. Pray to the Lord for it, because if it prospers, you too will prosper.' Jer. 29:7.

^{65.} There is an obvious parallel to Joseph's situation in the case of Esther in Mesopotamia.

^{66.} See: B. Kemp, 'Old Kingdom, Middle Kingdom & Second Intermediate Period c. 2686-1552 B.C.' in B. Trigger, et. al. (eds.) *Ancient Egypt: A Social History* (New York: Cambridge Univ. Press, 1983), pp. 74ff; N. Shupak, 'A New Source for the Study of the Judiciary & Law of Ancient Egypt: 'The Tale of the Eloquent Peasant'' *Jrnl. of Near East. Stud.* 51:1-18 (Jan. 1992); L. Epsztein, *Social Justice in the Ancient Near East & the People of the Bible* (London: SCM Press, Ltd., 1986), ch. 2.

Ma'at in the otherwise chaotic reality of extended famine, and as a result he received heartfelt appreciation from the Egyptians. In the context of similar legal relationships throughout the ancient Near East, a 20% payment for share-cropping (Gn. 47:23-24) would be considered compassionate. Recognizing the possibility of Joseph's compassionate stewardship may help to explain why the otherwise troubling measures of Gn. 47:13-26 were seen as--and were--humane. The surrounding economic reality cried out for action, and the standard of Ma'at (similar in ways to the Pentateuch for Israelites) served to constrain any abuse of the concentrated power. This recognition makes me more comfortable with the argument from silence noted just above, whereby it can be presumed that the centralized measures represented the most just administration at the time.

Not only were Israel and Egypt saved from starvation during seven years of famine by the centralized measures undertaken by Joseph. As the narrative is very concerned to point out (Gn. 46:31-47:6)⁶⁷ Joseph carefully orchestrated the request before Pharaoh for Jacob and his entourage to settle in Goshen. Was this simply to be closer to Palestine (to make a quick get-away?), to encounter less economic persecution from the Egyptians (since presumably they looked down on keepers of animals), or to enjoy the fertile land of that region? Perhaps each of these. Something more is at work here, however. Given the careful concern earlier in the patriarchal accounts for the emerging people of God to not intermingle with the Canaanites, and especially the violent accounts yet to come when Israel migrates back into Palestine and seeks to clear the land of alien peoples, we must see here a concern to establish a 'cultural distance' for Israel wherein she can live out her commitment to Yahweh in as much freedom as possible.⁶⁸

A distinct value community and exclusive setting seems crucially important for raising children (character formation?) in the fear of the Lord, and otherwise supporting fellow Christians in faithful behavior. In his recent essay on the Old Testament and the state, Christopher Wright describes early Israel as 'a community called out of the socio-political environment and given a new identity,' as an 'entity distinct from the surrounding nation states,' experiencing 'a form of life which included maximum independence from the socio-political and economic structures of their day,' and 'characterized by totally different

⁶⁷Was Jacob's blessing of Pharaoh (Gn. 47:7-10) also part of the strategy to win the freedom to settle in Goshen? Pharaoh was impressed by Jacob's old age, and Joseph would have realized this.

⁶⁸This would be especially true if a number of Israelites worked for the Egyptians. Joseph certainly did; note Pharaoh's request for Israelites to shepherd his flocks (Gn. 47:6).

values.⁶⁹ Achieving all of this in an alien setting would require some cultural space. If this concern was true for life in Palestine, it would be doubly so when Israel was in a foreign country.

Three qualifications are necessary in this regard. First, it must be recognized that the cultural distinctive at issue here is religious and value based, and does not turn on race or ethnic tradition. Early Israel was a composite of various ethnic and racial groups, the texts lead us to believe. Judah, Joseph, and Moses all married non-Israelite wives. It would be hard to untangle the ultimate ethnic and racial composition of the group that entered Palestine under Joshua's leadership. We know there was some assimilation with the Canaanite peoples once Israel became settled in Palestine. Therefore, the crucial freedom for Israel that the location in Goshen sought to protect was a freedom to worship and serve Yahweh and to encourage one another to walk in all His ways (Dt. 10:12-22).⁷⁰

Second, the New Testament makes clear that Christians are to be in but not of the world.⁷¹ The cultural distance referred to here is not removal from contact with the non-Christian world by any means. Major trade routes from Egypt to Mesopotamia and Asia-Minor wound through Palestine, and the early Israelites had economic relations with other parts of the world. Joseph, Esther, and Daniel testify of strategic involvement at high centers of worldly power by God's people. The necessary cultural distance refers primarily to the most important value-enhancing institutions, which would include the family, the church community, and the schools. God has made it clear at a number of places in Scripture that He wants his people to be involved in the larger civic community, at least as citizens and often as employees, in order to seek conformity of the ways and institutions of the world to those desired by the world's Creator.

Third, the particular values for which the cultural distance was sought are values that flow from who God is and what He desires. This fact is clear to us throughout the Scriptures, from the attempt to protect Israel from the corrupting influence of Canaanite gods and ways, through the faithful devotion of Daniel in the court of Nebuchadnezzar, to the New Testament instructions that we not be corrupted by the ways of the world. It may be necessary in an ethnically pluralistic society to allow cultural distance to a number of value communities in

⁶⁹C. Wright, *op.cit.* (note 9 above), p. 4.

⁷⁰It should be obvious that the New Testament bears this same burden, concerned that Christians only marry other Christians, that disruptive elements within the community be removed, and that believing Christians not be lukewarm in their faith.

⁷¹The Gospel of John is rich in commentary on this theme.

order to win it for the people of God. But certainly not any value community should have access to this right: communities, for example, who's values are inconsistent with biblical justice and righteousness and a concern for the poorer members of society.

Does the concern for cultural distance justify the measures of Gn 47:13-26? Would the rationalization affected by Joseph lessen the potential power of regional lords in Egypt which may have oppressed Israel, thus buying more time for her to become established before the season of slavery? Speculation is all the text allows us. But once again the possibilities here lead me to an easier acceptance of these measures as necessary to achieve the ends that were so important to God. I offer one final textual comment that I trust is not snatching at straws. The critical passage of Gn. 45:5-8, where Joseph explains to his brothers why it was necessary for him to go to Egypt as he did, mentions two outcomes: 'to preserve for you a remnant on earth and to save your lives by a great deliverance.' Most have seen these as two sides of the same coin. But might this statement represent the two purposes identified here for Israel by Joseph's administration: to save their lives and to assure them a cultural distance?

The analysis has not ended as yet. Israel's physical salvation and cultural isolation within Egypt is not the last we hear of them there. The book of Exodus opens by observing that 'a new king who did not know about Joseph came to power in Egypt' (Ex. 1:8) and the Israelites became slaves. Egypt was the means both of Israel's salvation and her enslavement. Centralized power may be necessary in circum-stances of dire emergency, when life and values are threatened with extinction, but it is a very dangerous instrument. We see here then the two-fold nature of centralized social arrangements: the potential to address emergency situations quickly and effectively, and also the potential to abuse the people.

The ethical instruction of section II of the paper must be reviewed at this point. The preferred institutional arrangements for a God-pleasing society are decentralized, with a concern to establish justice and righteousness (and a special concern for the poorer members of society). Centralized arrangements as a normal way of structuring society are to be eschewed. Scriptural references to the dangers of centralized power are many, from the tower of Babel, through the slavery of Egypt, to the proudful states in Mesopotamia, to Rome in the New Testament era--and we can point to numerous more recent examples. And yet Joseph and Esther, and the use of centralized power in situations of dire emergency, receive at least back-handed approval. We can conclude then that occasionally, under very limited conditions where life or values are threatened, society may use social structures with

considerable centralization of power. The saving of life at issue extends to all people. The protection of values that can warrant such otherwise undesired means in Scripture only are those that flow from commitment to Yahweh. In allowing more centralized social arrangements under conditions of dire emergency, Christians should be vigilant in working to make sure that the instruments chosen are consistent with the Pentateuch's concern for justice and righteousness.

This section examining the Joseph narrative can be concluded by rehearsing the dominant themes found in this teaching. Establishing and nurturing strong extended families finds affirmation in the exciting drama pursued by Joseph to affect reconciliation within his family: a victory won through sacrificial efforts on the parts of both Joseph and Judah. God desires that all people be saved from the ravages of starvation, and allows extreme means to this end. God also is concerned to create for His people a cultural distance from the surrounding value communities within which they can nurture one another in faithful obedience. Rising above each of these themes we can see the hand of God at work, assuring us that He is in control and has structured these worldly situations for our instruction.

A final word is necessary. The Joseph narrative is part of the Pentateuch. The instruction it offers us, especially as this relates to the question of the appropriate degree of centralization in social arrangements, must fit within the dominant teachings of the Pentateuch as these are further refined and illustrated in the entirety of the Bible. In a world in which God has given us the freedom to disobey Him and to sin we need ever be vigilant not to vest too much political or economic power in centralized hands, whereby the harmful effects of sin can affect so many people. De-centralized social arrangements are commended to us. In certain circumstances dealing with life-threatening realities more centralized arrangements are allowed in Scripture. In all cases, with whatever set of social arrangements, the biblical standards of justice and righteousness (with a special concern for the poorer members of society) must be used to hold these arrangements accountable.

IV

It should be recalled from section I above that what we expect to find in the Bible are ethical emphases or touchstones, that will then help us sort through the complexities of current problems and hopefully offer workable solutions. It is unlikely we will find precise institutions to guide us, given the considerable socio-economic distance between an

economically undeveloped, largely agrarian economy, built around extended family and clan obligations and an early Near Eastern cultural setting, and the economically developed societies of the late twentieth century--though we should not deny the possibility for this happening in certain cases.⁷² The ethical insight provided will serve at least two purposes: to suggest ways of framing policy responses, and to motivate citizens who take the Bible seriously to bring their political efforts into line with the ethical urgings of Scripture.

Because the ultimate purpose of the paper is to provide ethical guidance for resolving contemporary problems, I conclude by reconsidering briefly the problem of ghetto poverty in the United States, offering a few suggestions for how the biblical analysis might be applied.⁷³

I review first a brief litany of ghetto conditions, supplementing what was noted earlier in the paper, and follow this with selective comments about what is and what is not being proposed at present.

One would think that after the urban riots of the 1960's in the United States, we would have both gathered profound understanding of inner city areas and put in place programs to address the problems found there. We have amassed a great deal of understanding,⁷⁴ and seem to have a good grasp on the issues needing further study. Discerning and then implementing policies to address the problems has not been nearly so successful, as the Los Angeles riot in the spring of 1992 so graphically represented.⁷⁵ This has been true because of

⁷²In the U.S. context, amidst the continuing difficulties encountered in fashioning state-mediated assistance to poorer families, the use of some variation of a compassionate loan (similar to that specified in Dt. 15) may well be far more workable than the patch-work set of current policies which seem to possess such negative incentives regarding work and family formation. See my 'Assisting the Poor' paper (*op. cit.*, note 25 above) in this regard.

⁷³It is beyond the capacity of this article (and this author) to offer systematic reflection on all of the rethinking about the proper degree of centralization in social arrangements going on around the world. An obvious application of the biblical analysis would be famines in the world today. The work by J. Dreze and A. Sen [*Hunger & Public Action* (New York: Oxford University Press, 1991)] argues for a unique combination of central authority and local public works, and built on the basis of entitlements to adequate subsistence, under conditions of suspected famine: an approach consistent with the ethical urgings of this paper. Another obvious application is carbon dioxide emissions, because of their life-threatening nature.

⁷⁴In addition to Wilson's study (*op. cit.*, note 5 above) see: L. Lynn & M. McGeary (eds), *Inner-City Poverty in the United States* (Washington: National Academy Press, 1990); C. Jencks & P. Peterson (eds), *The Urban Underclass* (Washington: The Brookings Institution, 1991); C. Jencks, *Rethinking Social Policy* (Cambridge, Massachusetts: Harvard Univ. Press, 1992); A. Kotlowitz, *There Are No Children Here* (New York: Doubleday/Anchor Books, 1991).

⁷⁵Not without warning. On the twentieth anniversary of the Kerner Commission

the changing complexity of the ghettos as well as an unwillingness by the non-ghetto majority to take steps necessary to both understand these realities better and do something about them.

As ghetto residents have been saying for some years, it is deemed acceptable for them to kill one another (as they have been for years without much national action), but when the violence extends beyond the ghetto then action is forthcoming.

Use of the term 'ghetto' among prominent social scientists is fairly recent and reflects a perceived slow emergence over the last several decades of a concentration of realities (unemployment, welfare-related and broken nuclear families, crime) that have such harmful--yea deadly--consequences upon those growing up and living in these settings. Gang behavior and drug-related crime are obvious. What has been more debated is the nature, number, and location of available jobs. Whether the number of good jobs for lower-skilled workers has been decreasing is a question facing the entire nation (if not the economically developed world in general). The spatial dimension however is more unique to ghetto settings, with the debate turning on whether the growing location of jobs in the suburban fringes of large urban areas makes any difference for those 'who really want to work'⁷⁶--especially if there are elements of racism affecting both housing and employment. Compounding the employment picture even more, it now appears that general economic growth does not have the same impact upon urban improvement that has been true in the past.

Understanding how public assistance affects the behavior of recipients presents another piece of the puzzle, with some students arguing that the adverse behaviors are worse among ghetto residents. This question is part of the larger issue of whether a unique social-psychological adaptation to difficult circumstances ('underclass' behavior) exists among

report (appointed by Pres. Johnson following the riots of the 1960s and issued on Feb. 29, 1968) an expert panel of primarily Afro-Americans appraised the nation's response to the report and found it insufficient. The nation was suffering through 'quiet riots.' See F. Harris & R. Wilkins (eds), Quiet Riots: Race & Poverty in the U.S. (New York: Pantheon, 1988). The Wall Street Journal editorialized similarly on March 29, 1988.

⁷⁶David Ellwood has argued that the issue is 'race, not space,' a view consistent with Lawrence Mead's stress on socio-psychological factors inhibiting ghetto residents. See: D. Ellwood, 'The Spatial Mismatch Hypothesis: Are There Teenage Jobs Missing in the Ghetto?' in R. Freeman & H. Holzer (eds), The Black Youth Employment Crisis (Chicago: Univ. of Chicago Press, 1986); L. Mead, The New Politics of Poverty (New York: Basic Books, 1992). John Kasarda argues that this view fails to appreciate the difficulties facing ghetto residents in both knowing of and getting to jobs, a view consistent with Wilson's conception of great 'social isolation' in the ghetto. See: J. Kasarda, 'Urban Industrial Transition & the Underclass' The Annals (of the Amer. Acad. of Pol. & Soc. Sc.) 501:26-47 (Jan. 1989); W. J. Wilson, op.cit. (note 5 above).

those in the ghetto. If so, then conventional solutions stressing job growth would be less successful--so those who hold this position contend. Confusing a proper assessment of the 'underclass' issue is the role played by key social institutions in the ghetto, and especially the school and the church.⁷⁷ We need more complete understanding of how all of these forces meld together to affect the life-chances of those who live in these settings.

I now turn briefly to the programs that have been undertaken, or are being proposed, to address ghetto problems. Some measures, such as public housing, stretch back many decades. Other measures, such as an expanded Head Start program and welfare reform, have intended applicability far beyond the ghetto.⁷⁸ There have been proposals to improve urban education, and some remarkable experiments and successes in individual schools, but in general the situation seems to have deteriorated steadily over the last several decades: and, once again, one suspects the success of the schooling process is closely related to the perceived availability of good jobs.

The new proposal with greatest support from both political parties is the creation of 'enterprise zones': geographic enclaves within which taxes are lowered or subsidies are offered in an attempt to generate job growth within the zones. Scholars are debating, on the basis of occasional earlier examples, whether job growth resulting from these programs will benefit the ghetto residents all that much, and whether the revenue loss will be so great that other approaches would be more cost effective.⁷⁹ Other proposals seek to control crime more effectively and strengthen the schooling and job-training processes (so-called 'weed and seed' programs), and to assist greater home ownership.

It is instructive to note the types of policies that are not being proposed by the major

⁷⁷On the nature of urban education in Chicago, see N. Lemann's report (*op. cit.*, note 6 above). Richard Freeman conducted empirical work among young black men in Boston, and found that those who had some contact with the church (independent of other explanatory factors) had better educational and employment records. See R. Freeman, 'Who Escapes? The Relation of Church-Going & Other Back-ground Factors to the Socio-Economic Performance of Black Male Youths from Inner-City Poverty Tracts' (NBER Work Paper No. 1656, June 1985).

⁷⁸Welfare reform, in recent years, means 'workfare'--compelling welfare recipients to prepare for and accept jobs as a condition of continued welfare receipt. In this regard, the questions of job avail-ability in the ghetto clearly interact with the potential for effective welfare reform in that setting.

⁷⁹See: L. Papke, 'Tax Policy & Urban Development: Evidence from an Enterprise Zone Pro-gram' (NBER Working Paper No. 3945, May 1992); S. Levitan & E. Miller, 'Enterprise Zones Are No Solution for Our Blighted Areas' *Challenge* 35:4-8 (May-June 1992).

political actors. Though a voucher system (state funding of education, with parental choice of school) as an alternative to the existing state/local-administered public schools has received considerable attention of late,⁸⁰ there seems little potential for this reform to find broad political support. A number of state and federal courts have for some years found certain zoning ordinances in suburban communities improperly exclusionary and seeking to block the construction of scattered-site, low-income housing. The successful efforts by residents of these communities to throttle the desired relief of the court orders displays great creativity however. There are no popular proposals to compel the construction of such housing, a policy which could relieve the social-psychological pressures on the ghetto and allow its residents to live closer to the growing availability of good jobs and to attend schools in which the potential for learning would be far greater.

Can the ethical insights drawn from the biblical appeal in this paper offer help in responding to the problems of the ghetto? A few parting words. To allow ghetto conditions to fester as they have been is inconsistent with the Bible's commitment to justice, with a special sensitivity for the poorer members of society. It is inconceivable to me that the elders of an early Israelite community would have found such negligence acceptable. The 'active' nature of their judicial/administrative over-sight would have led much earlier to remedial steps being pursued. The nature of ghetto realities certainly have become 'deadly' for far too many of our Afro-American youth, and consistent with the ethical implications drawn from the Joseph narrative, could justify greater reliance upon more centralized measures. Ideally, for the most effective relief, the centralized authority will instruct the various decentralized public and private institutions to become more accountable.

Residents of suburban communities surrounding the ghettos benefit from the opportunities afforded by the greater metropolitan area: the cultural, educational, business, and governmental institutions of the urban centers. The use of enterprise zones as the primary response imposes no greater costs upon these residents than is true for the residents of regions of the country far removed from the metropolitan areas. The far-removed residents are not unaware of this, and can be expected to resist excessive funding for the zones. In other words, an inappropriate assignment of responsibility will lead to an insufficient response to the problem. The necessity of placing greater responsibility upon local political authorities becomes more compelling when we consider the active efforts by numerous

⁸⁰See J. Chubb & T. Moe, Politics, Markets & America's Schools (Washington: The Brookings Institution, 1990).

suburban communities to exclude the construction of low-income housing.

The Pentateuch affirms the critical importance of strong families--ideally extended families and certainly nuclear families. A number of studies have found that recent immigrants moving to inner-city areas experience similar amounts of socio-economic upward mobility as known by immigrant groups earlier in the twentieth century and in the nineteenth century, when inner-city conditions were not as troubled as they are today. A major explanatory factor in these cases is the existence of extended families that help the immigrants overcome the problems of the ghettos and to move away from them. A primary response to the ghetto therefore, must address the all-too-frequent condition of the broken nuclear family.

I struggle to see how the Pentateuch's concern for 'cultural distance' applies to the problems of the ghetto. I see it speaking to the question of education, and the freedom for faith communities to have their children educated in schools in which the values of that community are freely embraced. This is a concern, however, for all of society and not just the ghetto--but should have particular benefit to the ghetto because of the discouraging nature of the schooling process there. The issue of 'cultural distance' applies in a negative sense in encountering the desires of suburban residents to maintain economically-exclusive communities; the only legitimate basis for such exclusivity is for distinct (and socially responsible) value/religious communities to realize cultural space in order to promote their respective values.

RELATIONAL MARKET ECONOMICS*

by Michael Schluter

Introduction

There is a growing ideological vacuum in Eastern Europe. The social market economy practised by Western societies seems inextricably linked with social breakdown measured in terms of divorce, child neglect and loneliness of the elderly. At the same time, the collectivist models of Marxism and Socialism have been shown as unworkable in terms of their economic productivity. There is therefore an opportunity for Christians to present an alternative framework to fill this vacuum. It cannot be explicitly Christian if it is to command the support of the majority in plural societies, but at the same time it must provide a system which is entirely consistent with Christian values and presuppositions. This paper is an attempt, after 17 years of research, to set out such an alternative.

The theological starting point

In seeking a coherent Christian vision for political economy, we looked first at Kingdom ethics in the Sermon on the Mount and other New Testament teaching. However, this provided little help or guidance for the formulation of economic policy, and its principles seemed more relevant to the organisation of the Church than the State. Kingdom ethics require the presence and work of the Holy Spirit and therefore are inappropriate for application in a plural society.

A more appropriate starting point seems to be the Old Testament Law, as Jesus points back to the Law in the context of discussing his disciples being in the tradition of the Prophets and acting as salt and light in society (Matthew 5:11-20). Chris Wright has argued that it is possible to regard the Old Testament Law as a social paradigm⁸¹, and more recently Tom Wright moves in the same direction when he suggests that Christians should work in the world on a similar basis as Jesus worked within Israelite Society⁸². While it's essential to sort

* The ideas expressed here are developed more fully in Michael Schluter and David Lee, The R Factor, Hodder and Stoughton (forthcoming, March 1993)

⁸¹ Christopher J.H. Wright, Living as the People of God, IVP, 1985

⁸² Tom Wright, New Tasks for a Renewed Church, Hodders, 1992

out the ceremonial from the moral/civil aspects of the Law, there is growing recognition in theological circles of the ethical relevance of the Old Testament for application in society at large. Israel is a model not just for the Church but also, in certain key respects, for the State.

The over-arching theme, the central principle, of the Law is love. Jesus is asked which is the greatest Commandment and his answer is that we should love the Lord our God with all our hearts and minds and strength, and the second Commandment is similar to it, that we should love our neighbour as ourselves. He goes on to say that the whole of the Law and the Prophets hangs on these two Commandments (Matthew 22:34-40), i.e. that as a hanging basket is suspended from a peg in the wall, the whole Law hangs on the central concept of 'love'. At several other points in the New Testament, the writers insist that love is the fulfilment of the Law (e.g. James 2. 10).

Love is a quality of relationships. Jesus is emphasising that it is the quality of our relationships which is the key interpretive principle to use in Understanding the whole of the Old Testament. It is the primary criterion by which to evaluate public policy as well as our personal life-style.

This emphasis on relationships should hardly be surprising to the Christian. God is a relational being. God is a Trinity of persons in relationship to one another. As Broughton Knox says in his book, The Everlasting God,

“The fact that God is Trinity shows that personal relationship is basic reality, that is, that there is nothing more ultimate than personal relationship. Being, considered in itself, is an abstraction. Ultimate, true and real being, is and always has been, being - in - personal - relationships.”⁸³

Human beings are made in the image of God so they are also relational beings. In Genesis 1:27 we find that when God made man in His own image, He made them male and female. It was necessary that human beings would also be made plural and in relationship if they were to be patterned after the Godhead.

Jesus demonstrates the meaning of this relational thinking. He is the pattern for all human relationships. Paul emphasises in the E 'sties that Christians are to be conformed to the

⁸³ D. Broughton Knox, The Everlasting God, Lancer Books, Australia, 1988, pp 129-146

image of Christ (Romans 8:29), and that we are, as Christians, to be transformed into His likeness (2 Cor. 3: 18). We are not to be like Jesus in terms of His being a carpenter, or born in Nazareth, or a Jew; we are to be like Jesus in the pattern of His relationships, both with God and with other people.

So there is a sound theological basis for making relationships as the central goal of our system of political economy, as in all other areas of life. The name we have given to the system built on this theme is 'Relationism'. We shall now move on to consider Relationism as a political philosophy and then to consider how this relational emphasis impacts on the way that we carry out economic analysis and construct a system of political economy.

Relationism as a political philosophy

Neo-classical economics rests heavily on individualist presuppositions. Clearly there is great value in this individualist approach as a bulwark against State power. However, recently there has been a growing recognition, even among liberals, that there is a need to create bonds which go beyond the individual. Dahrendorf puts it like this:

“In the free societies of the OECD world, the task of the liberal has to do with that most vexing of social objectives, building ligatures, encouraging the creation of norms, reconstituting the social contract.”⁸⁴

It is most striking that this should be said by a liberal. Concern for freedom and choice leaves little room for obligation. Social contract is as close as you can get.

Professor Marquand has pressed for voluntary associations as the key to “community”⁸⁵. Voluntary associations are fine as long as you are one of the strong in society. You benefit from them, whether they are lawyers' associations, City Guilds, the local bridge club, or even the Association of Christian Economists! The advantage of a voluntary Association is that if you don't like it you can opt out. However, if you are one of the weak, if you are poor or disabled or elderly, then voluntaristic association looks fragile as a basis for community. Who is going to bother to help you or look after you when you are unable to look

⁸⁴ Ralf Dahrendorf, *Life Chances: Approaches to Social and Political Theory*, Weidenfeld and Nicholson, London, 1988, p. 38

⁸⁵ Personal communication with the author, 1990

after yourself? All of us get to the point of depending on other people eventually as we get old. It is then that we realise how precarious this form of community can be.

Relationships are the key to our well-being. Like breathing, the stuff of life is our relationships. They give us our identity, and are the key to finding meaning in our lives. They also determine our well-being. Ask people what they most value in life. They will not generally answer "my car, my book, my published journal article". Most will answer in terms of "my family, my wife, my children". People generally point to relationships, not to material items, as the most significant aspect of their lives.

It is possible to think of every individual having a Relational base. This consists of those in closest relationship to them who are generally in the family or the locality. They determine a person's relational well-being - whether the person feels at one with the universe, how well he or she performs in employment, education or child raising, how well he or she gets through a crisis.

There is a problem of defining what is a "good" relationship. Unless you assume a Christian understanding of "good", it is difficult to define. However, in cultures influenced by the Judaeo-Christian tradition there is still convergence around values like fair play, trustworthiness, honesty, respect for dignity, honour, courtesy and commitment. These values are also crucial to the economic system. You can have all the accounting paraphernalia you like and not catch a Maxwell. As Joan Robinson comments, "Honesty is much cheaper"⁸⁶.

So for an effective political and economic system, you need some balance between individual freedom to pursue our own interests and linkages to the group which give security, collective benefits and meaning. Western societies are heavily skewed towards the latter. So the next question is what factors build good relationships? What helps to produce intimacy and depth of encounter? We suggest four aspects of relationship are important. These are as follows:

⁸⁶ Joan Robinson, *Economic Philosophy*, C.A. Watts & Co., London, 1962, p. 5

- a) Directness. The importance of face to face encounter. To give just one example, seeing, starving Africans on the T.V. Is not the same as walking through the camp yourself on foot.
- b) Continuity. This refers to the importance of knowing someone in the ups and downs of life. Over time we come to know a person much more deeply
- c) Integration. This refers to seeing somebody in a number of different roles and situations to get to know them more fully. When you visit your work colleague's home you learn much more about them than if you only observe them in the office.
- d) Parity. This is not the same as equality. It refers to an approximate evenness in the amount of power being wielded on both sides of a relationship. Without parity there is a tendency for the powerful to manipulate and the weak not to tell the whole truth.

These four characteristics of relationships can be seen to be promoted in the way society was organised in Old Testament Israel. The Jubilee Laws on land promoted rootedness and thus helped to develop continuity, integration and directness in human relationships. The fact that every family owned some land, and that there was some rough fairness in the amount of land owned between all the different families, pointed towards parity as a general principle in relationships in Israel.

In the same way, the interest ban points to the importance of directness in human relationships. There were no capital markets to divide saver and borrower. The interest ban also helped preserve parity as it prohibited the accumulation of capital in a few hands. The political system also pointed towards parity, with the central state having a very limited role. Power was widely diffused in localities and regions.

Western societies have encouraged what we call the "mega-community" which tends to emphasise the opposite of these four values. There is a lack of direct encounter, as people increasingly rely on the telephone and the fax to communicate rather than face to face contact. There is lack of continuity in relationships due to high levels of mobility, and an absence of integration owing to the size of the urban environment and the choice of facilities which any

individual can use. There is also a lack of parity, increasingly apparent as economic and political power become concentrated in larger and larger units. The end result is "contingent relationships" where people's lives touch each other without direct, face-to-face encounter. We are controlled by people we never meet, taking decisions over which we feel we have no control. The result of this in turn is an absence of trust, which undermines the operation of the economic system as well as threatening individual well being. Money is no substitute for relationships. Money can't buy you love.

The goal of the economic system

In a Relational framework, the next question to ask is: What is the goal of the economic system? There are three possibilities which we are currently considering:

- a) To support the Relational base of all individuals - i.e. to sustain family and locality relational linkages. Obviously economic growth and income are necessary to allow communities and families to subsist. A role for economics in a minimalist sense can be defined in this way.
- b) To maximise economic growth subject to a relational constraint.
- c) To build economic growth on relational foundations.

The third alternative probably comes closest to the biblical model. Once certain key parameters have been put in place - as with the Jubilee Laws and interest ban in the Old Testament - then it seems legitimate to pursue economic growth objects within the framework provided by these parameters. However it is possible that the importance of the overall value system inculcated into every citizen in the Old Testament is being underestimated would also have mitigated the worst effects of the pursuit of wealth by the individual.

In what ways does the social market economy threaten relationships?

There is every evidence that the social market threatens relationships at many points. Certain trends are common across all the countries in the EC, as well as the United States,

including growth in the divorce rate, growing numbers of children born outside marriage, and growing loneliness among elderly people. There is also the growing importance of the legal profession in mediating all forms of relationships, whether in family or commerce.

These common trends suggest that the social market economy is a contributory factor in social breakdown and raises questions of the mechanisms by which the social market economy undermines family and community relationships. I would like to suggest five ways in which I think this takes place:

1) Failure to appreciate the significance of property as more than a category of capital.

Leonard Weber summarises the Western view of property in his book on the American land crisis:

“The value of land is determined almost completely by its role in the market system. Land, like any other resource, is worth only what you can get for it. It is worth what you can do with it or perhaps to it; its value is what you can sell it or its products for. In this ethical system land has value precisely as property. Land is not considered good in and of itself; it is good only if it is good for something. Its value is instrumental not intrinsic.”⁸⁷

Such a view of property is in sharp contrast to biblical thinking. In the bible land is considered crucial for roots. There is a close link between land and community. This is institutionalised in the Old Testament through the Jubilee legislation. This is crucial for both directness and continuity of relationships. Also in biblical thinking land is not individually owned. There is not a strict form of private ownership as Brian Griffiths and others seem to suggest. Under the Jubilee system, there was joint ownership of the land by the family, and the local community also had some stake in the ownership and distribution of land (see Numbers chapters 27 & 36). The local community even had the right to walk over other people's land and pick the growing crops as long as they didn't use a basket (see Deut. 23:24-25).

Thus, a society's understanding of property is crucial in determining the shape of that society. Bruce, has pointed this out very cogently:

⁸⁷ Leonard Weber, "Land use ethics: the social responsibility of ownership" in Bernard Evans and Gregory Cusack (eds.), Theology of Land, The Liturgical Press, Collegeville, 1987, p.27.

“Choices (of land tenure models) are fundamental in determining the shape of society, and are in practice determined more by reference to basic values, ideology, and political survival than by reference to technical factors. A free enterprise economy requires certain things of its land tenure system; a socialist economy has quite different requirements, and a society seeking to conserve traditional values will have yet other priorities. The land tenure system of a country cannot be dealt with in isolation, but must mesh with other social and economic institutions.”⁸⁸

2) Failure to appreciate the relational consequences of mobility of labour

Economic theory says that you should move labour to where the return is highest in the economy. So Norman Tebbit told the Welsh miners to “get on their bikes” and go to the South West. However, studies on mobility of labour have shown the immense negative consequences in relational terms for marriages, children and neighbourhoods.⁸⁹ There is little doubt that high mobility is closely associated with Western individualism as MaeFariane has argues in his book, The Origins of English Individualism⁹⁰, although the line of causality between the two is not clear.

3) Failure to consider the relational implications of financial markets.

The effect of financial markets is to spread risk, but they also act to separate savers from borrowers. The relationship between a saver and a borrower through the capital market is one based entirely on what Marx described as "the cash nexus". Capital markets have contributed to mobility of capital away from regions of decline and into growth areas, which in turn has led to mobility of labour. Regional decline has contributed to the break-up of many communities, and has had adverse consequences for many elderly people who become separated from their offspring who move away in search of work.

A further effect of financial markets mediated through interest has been an important factor in the growth of the "mega company" and the "mega project". Projects like Canary Wharf in London could never have occurred without efficient and

⁸⁸ John Bruce, "Land Tenure Issues in Project Design and Strategies for Agricultural Development in Sub-Saharan Africa", Land Tenure Center paper 128, University of Wisconsin-Madison, March 1986, p.75.

⁸⁹ Helen Hayward, “The Causes and Consequences of Mobility”, Jubilee Centre Working Paper, 1992.

⁹⁰ Alan Macfarlane, The Origins of English Individualism, Blackwell, Oxford, 1987

large scale capital markets. Similarly it would be impossible to develop a conglomerate like B.A.T. were it not for access to enormous sums of capital through capital markets.

Whilst such mega companies often encourage good relationships within the company in terms of day to day communication and definition of role, the evidence suggests that they are relationally harmful in other respects. Often the large company will use its power against smaller companies owing to the lack of parity between them in their negotiation over contracts. The Monopolies and Mergers Commission have documented in numerous reports the many quasi-legal means by which large companies can bring pressure to bear on smaller competitors. We see large, multiple retailers striking hard bargains with smaller suppliers because of their much greater market power, and large financial institutions on occasion bringing pressure to *bear* on the individual customer in ways which cause great personal hardship. Secondly, Drucker's argument that there are often seven layers of management between the top and the bottom of these mega companies suggests that those at the bottom have little say over the key decisions which affect their lives. In addition there is a problem of the loss of accountability due to the difficulty of those outside the company gaining access to sufficient information on the operations within the company; these problems of "information asymmetry" have been discussed extensively by Oliver Williamson.⁹¹

4) Failure to consider the relational implications of the PLC structure

The sole focus of the PLC on maximising profits has relational consequences. It is no accident that few large PLC's support the Keep Sunday Special Campaign, as their concern is to satisfy the short term profit interests of their shareholders, generally the presence of large institutions as investors means that company directors cannot afford to have "sentimental concerns" about their workforce. Also, the PLC through the provision of limited liability for directors provides, perhaps, too strong a protection for directors against the consequences of social irresponsible decisions, especially and most obviously those affecting the environment. Of course there are questions about economies of scale, and minimum efficient size in certain markets. These are important economic concerns which need to be addressed carefully, but the evidence

⁹¹ Oliver Williamson, Markets and Hierarchies, The Free Press, New York, 1975

suggests that large size is often more associated with market power than issues of technological efficiency.

- 5) Failure to recognise the relational implications of the role of the state in welfare provision. Neoclassical theory has virtually nothing to say about the role of the state in the provision of welfare, so it is not possible to blame neoclassical economics for this weakness in Western economies. However, it seems likely that the important role played by the state in welfare provision has tended to undermine the role of the family as an institution, and lowered the commitment of family members to one another. The main welfare roles performed by the state in terms of provision of health insurance, unemployment insurance, and old age provision, have doubtless been taken over primarily from the extended family, thus weakening the loyalty it can command from the individual. In addition, state provision can readily create and cultivate a condition of state dependency which is contrary to the biblical norm of dependence on God.

This analysis is not to suggest that small is always beautiful, nor to advocate the immediate dismantling of all large companies and financial institutions. There are large companies run on relational principles by men and women of the highest integrity. There are industrial processes which for the foreseeable future will require a large-scale of plant (although technology may be more malleable than we imagine over the medium-term). The point of the preceding analysis is to argue that in economic life, as in political life, power has a tendency to corrupt, and that to shift our economic priorities so as to encourage relational norms in terms of directness, continuity, integrity and parity will involve taking seriously the biblical teachings regarding the need for wide distribution of property ownership, the dangers of capital markets and limiting the role of the centralised state. Each of these three issues is explored further in other Jubilee Centre papers.⁹²

⁹² See Michael Schluter and John Ashcroft, "Christian Principles for the ownership and Distribution of Land", Jubilee Centre Research Paper, 1991; Paul Mills, "Interest in Interest: the Old Testament Ban on Interest and Its Implication for Today", Jubilee Centre Research Paper, 1990; Barry Logsdon, 'Multi-polarity and Covenant,: Towards a Biblical Framework for Constitutional Safeguards', Jubilee Centre Research Paper, 1989

Policies to move society in a relational direction

To achieve relational ends by relational means points towards seeking social change through a gradual process of reform rather than by revolution. In note form, some of policies which might be used to move Western societies in a relational direction may be listed as follows:

1. Property and housing. The wider distribution of property should be encouraged to promote a fundamental degree of parity in social relations. Inevitably, this will require wider home ownership. Financial schemes and building projects need to be developed to enable low-income families to achieve home ownership. Also, a ceiling should be set on the size of agricultural land holdings so as to achieve some balance between the competing demands of economics of scale for cheap food and raw materials and the needs for wider property ownership. Collective property ownership could be encouraged through such means as the promotion of family trusts by means of fiscal incentives. Analyse the relational implications of urban sprawls and high rise buildings and examine options to achieve more relational patterns of housing and neighbourhood formation.

2. Mobility. A range of policies is possible to encourage greater rootedness of the population. These include a more pro-active regional policy, changes in government training schemes for doctors, changes in the employment practices for the armed forces and the diplomatic corps, and change in the training practices of large companies so as to allow their personnel a greater degree of rootedness.⁹³ At a macro-economic level the pattern of industrial development expressed in the 'sectorbase' concept could be explored more fully.⁹⁴

3. Changing the operations of financial markets. A greater regional focus for financial institutions could be developed so that savings collected in an area are used for business development within that same area. The possibilities of regional stock markets to facilitate encounter relationships between borrowers and lenders, and to

⁹³ See Helen Hayward, *op. cit.*

⁹⁴ Elizabeth Cornwell, "Potential for Sectoral Concentration of Industrial Production in

facilitate the availability of venture capital at more reasonable rates could be explored. Greater equity investment could be achieved by changes in the tax system to overcome the present bias in favour of interest-based investment.

4. Mitigation of the effects of industrial concentration brought about by large financial markets inherited from the past. This can be achieved through different differential tax rates by size of business to encourage investment by large companies, tougher NIMC policies to discourage mergers, interest schemes to encourage small business as in the United States, conditionality in government contracts so that a minimum proportion of the value of the contract has to be fulfilled by small business, etc.
5. Reduction in the role of state welfare and a greater relational emphasis in its distribution. The greatest need of many on welfare is not that of cash but of a strengthening of relational support. The welfare system at present ignores these relational needs. How could such relational needs be met by the state? Firstly, many of those, in semi-retirement could be mobilised to help those who are unemployed in moving them towards finding additional training and employment. This would require analysis of the opportunities and costs of involving a significant number of those in this age group in certain aspects of the welfare process. Secondly, the goals of the welfare system should be redefined to include financial independence for every household. Thirdly, as far as possible, responsibility of distribution of welfare benefits needs to be handed back to local government, with safeguards for the individual. The evidence suggests that the more face-to-face contact there is at the level of family and locality, the greater opportunity there is to use more selective methods of benefits allocation which are more cost effective and involve lower stigma than the centralised and bureaucratic means of welfare distribution used at present.
6. Overall devolution of state power and decision-making. A key factor in the breakdown of direct relational encounter and loss of parity in relationships between central and local government has been the growth of centralisation in political structures in Britain in the last 20 years. There is an urgent need to set up a regional tier of government, and to restore to local authorities many of the functions which

have been removed from them over this period. Decentralization of economic decision-making to local government clearly will have a major impact on the pattern of economic relationships when nearly half of total expenditure in the British economy is now made by government rather than by private investors or consumers.

7. Reform of the PLC structure. Much has been written recently about the governance of large companies. Many of the measures listed above will tend to reduce their size, but large companies will continue to be an important part of our economic landscape for a considerable period on almost any assumptions. How then can they be encouraged to have a wider social vision? One attractive option is presented by George Goyder, in his book The Just Enterprise⁹⁵, which proposes a two-tier board system as in Germany and allowing companies to buy their own shares to free them to some degree from the short-term and narrowly-defined financial criteria used by institutional investors to evaluate corporate 'success'. These ideas need to be explored in terms of practical means by which to introduce enabling legislation and make possible some experiments in this area.

Conclusion

In order to achieve a new Relational emphasis in public policy, there is clearly a need for a change in national ethos. How is it possible to shift public opinion away from the emphasis on individual freedom and choice towards an emphasis on relationships and mutuality? Clearly such a fundamental change in outlook, or ideology, takes years - even decades - to bring about. It seems to us that such changes must involve a political or social movement to mobilise public opinion and put forward the importance of relationships constantly in the media. There will also be a role for providing relational values in education and pointing out the personal application of relational philosophy in the home.

Without such a movement, there is a danger that books or articles promoting these values would be no more than a shooting star in the sky, pointing towards a better way but quickly disappearing from the scene. Such seems to have been the fate of Schumacher's book "Small is Beautiful". There is little alternative but to put resources into developing a social

⁹⁵ George Goyder, The Just Enterprise, Deutsch, London, 1987

movement, with a commitment to influencing both public policy and personal lifestyles in a relational direction, if “Relationism” is to have a major impact in Britain and in other countries in the next century.

Cambridge

August 27, 1992

REVIEW: TIEMSTRA, W.F. GRAHAM, G.N. MONSMA Jnr., C.J. SINKEY and A. STORKEY, *Reforming Economics: Calvinist Studies in Method and Institutions*, Edwin Mellen Press, Lewiston N.Y., 1990, 329 pp.

The preface tells us that this book is the major outcome of a year of intensive study in 1980-1 by a group of scholars at the Calvin Center for Christian Scholarship at Calvin College in Michigan. It is therefore a collaborative venture, involving not only the authors named on the title page, but also a number of Reformed scholars in Europe. This may explain why the book has taken so long to come out (many of the ideas have clearly informed Alan Storkey's book *Transforming Economics*, SPCK, which was published as long ago as 1986), and why the book is sometimes a bit repetitive. However the various contributions have been carefully edited, and what emerges certainly has a consistent message.

The starting point is a conviction that Christian faith and Christian principles have a great deal to say about economic life and economic analysis, and three particular claims are made. First, it is claimed that much economic analysis is flawed, and only an analysis based on Christian norms and principles will be able to provide an adequate methodological and epistemological base. "A much more adequate theory... can be developed by basing the theory (including empirical investigation) on Christian norms and the principles derived from them, rather than on the false individualistic and materialistic norms of neoclassical economics" (p191). Second, it is stated that community rather than competition is the basis for human life, where such community is expressed in institutions such as the family, the business enterprise, political institutions, churches, schools, hospitals, voluntary associations etc.. Hence economic analysis which is based solely on individualistic economic agents will be inadequate: a proper study and evaluation of human institutions is essential for understanding economic life. Third, the interaction between these institutions and between individuals within them are predicated on relationships in which contracts, exchange and prices (as stressed in neoclassical analysis) are only and a small part of the story. Indeed without relationships of trust and mutual respect it is unlikely that markets will function. The rational economic man model is inadequate and seriously misleading. These three claims amount to a major attack on the content and practice of economic analysis in the West. They need therefore to be carefully considered, not least because the argument which is put is by no means polemical, but carefully and cogently stated. (It also has to be said that it is pretty heavy going at times, not because the analysis is difficult, but because it is quite tightly

argued). The authors are for the most part trained economists, with teaching positions at reputable institutions. They deserve to be taken seriously.

At the heart of the book is a section entitled "An Alternative Method", and this contains Chapter V, "Biblical Principles for Economic Life". This is a very careful summary of biblical teaching from which are derived five major principles. The first is that humans are stewards of God's good earth. Our "dominion or rule ... is also a care and a keeping"(p93). "Entrustedness" replaces "scarcity" as the basic motif of economic analysis. We are stewards, not owners. The second is that wealth is God's creation placed in human hands. Wealth is "an effective sign [of God's blessing] when it symbolises dependence on God and is used to minister to the needs of poor, (p95). Property is entrusted widely to individuals and communities: but ... "whenever we find wealth in the hands of a few only, there biblical principles have been rejected" (p97). How we use wealth is very significant ... "the modern picture of life as one of unremitting consumption is contrary to Bible economics". (p97). Those with wealth have an obligation to help those without. (I hope it will not be regarded as too pedantic if I introduce a semantic quibble here. The word "wealth" is quite unqualified and undefined in the book. It sometimes seems to refer to productive assets which can be either tangible (land, physical capital etc.) or intangible (human wealth, such as productive skills and human capital). At other times, it appears to mean no more than the output of goods and services. The same confusion appears in popular debate in the UK over the "creation of wealth". It is a pity when professional economists are so imprecise). The third principle is that human beings are made in the image of a Creator God, so human work is meant to "image back to God his creativity" Work should be good: "Work of no human value, work that permits of no creativity, work that makes idols - such are lies. (p99). Work is not an isolated activity but a means to cooperation with, and service to, our fellow human beings. Work and rest go together: the Sabbath principle is essential, a sign of God's peace not only for the workers but the whole of the economy. The fourth principle is that proper balance between wealth and work is called justice or righteousness. Wealth is God's world entrusted to our care: work is what we do to take care of it. We should not live without working by making others work for us. We should do all we can to free the poor from their poverty so that they can be stewards again. Finally, doing justice for the poor and powerless is the special concern of government, where "doing justice" is to restore the poor to productive work and to re-establish them in the life of society.

These principles are carefully and intelligently related to the biblical materials and it is hard to fault them. However the book is silent on the question as to whether we can or should use the Bible in this way. For example, there is only brief reference to the twin problems of "cultural distance" and "spiritual distance" between the biblical material and the modern economy. It is, for instance, stressed that the biblical economy is primitive and rural, and it takes a considerable effort to make links to current economic problems. (The issue of "spiritual distance" will be considered further below.) The exposition is also quite untheological, with no attempt to set the material on economic life within the characteristic schema of Calvinist theology.

We now turn to the first major thesis of the book - that modern economic analysis is fundamentally flawed, and that only an analysis based on Christian norms and principles for economic life can rescue it. The attack on conventional economic analysis begins in Chapter I: "... we shall suggest that a wide range of important issues have outrun the scope of conventional economic analysis" (p2). There then follows a listing of such issues, which it is claimed, are simply excluded from consideration by the traditional neoclassical paradigm. The problem is that "economic science has its roots in the secular Enlightenment ideas of individualism, autonomy and rationalism" (p12). Hence the authors "... suggest that a paradigm shift is needed to give a different basis of coherence for the discipline" (p12). These assertions are more fully explained in Chapter II, which deals with theory, and Chapter III (The Science of Economics), which deals with methodology. Chapter II explores the alleged deficiencies of neoclassical theory in detail, looking at concepts of equilibrium, the problems of aggregation in microeconomics, welfare theory, theory of the firm, industrial organisation, theory of distribution and many other areas. The argument is that the deficiencies are not just technical, to be put right by theoretical improvements within the neoclassical framework, but that the whole paradigm, with its Enlightenment faith in a mechanistic self-equilibrating model of natural order in the economy, is unable to encompass the full breadth of human activity. In particular, it fails to take into account that human beings have motives and purposes for economic action that can be very heterogeneous, that economic relationships involve more than just exchange and contracts, and that the context of economic life is economic institutions with diverse purposes and internal relationships which are non-economic.

How successful is this attack on economic analysis in Chapters I and II? Unfortunately, my judgement is that it is fairly simplistic, in that the analysis which is being

attacked is not state-of-the-art. Two examples must suffice. There is a critique of mechanistic concepts of equilibrium: "... economists have tended towards a natural scientific view of equilibrium as a mechanical or numerical equality and have ignored its deeper social scientific meaning." (p19). On the contrary, economic analysis defines equilibrium in terms of economic agents being satisfied with outcomes and therefore not changing their behaviour, given the information available to them. This is not far from the concept which the authors themselves advocate, though they would wish to give more attention to institutions rather than individual agents. Second, there is a somewhat strange discussion of value and price, which gets a much more complete airing in Chapter VI, pp.118-123. Industrial organisation theory, which operates within the neoclassical paradigm, has shown itself to be capable of analysing many of the departures from competitive price theory highlighted by the authors (see, for example, J. Tirole, *The Theory of Industrial Organisation*).

Technical issues apart, there is, I believe, a deeper and unresolved theological issue in the authors' approach: this is the issue of "spiritual distance". At several places, the authors make the point that in the North American economies at least people have a deeply held belief in the efficiency of market capitalism. "Yet most people must and do have some wider economic vision, however shadowy: perhaps a belief in economic nationalism, in success through initiative, in the efficiency of competition, in technological progress, in conquering problems, in economic rights, in the value of hard work and other values." (p11). Yet underlying these is "... a deeper dimension, a faith in humanity - self fulfilment, self-gratification, human success and human pride - values which deny dependence on and responsibility before God." (p11). And, later in the book, it is stated: "... the operative faith of many Americans includes the commitments to individualism and materialism which lie at the base of neoclassical economics." (p189). In which case, might we not expect neoclassical economics to be quite an effective tool for analysis? Indeed, it could be argued that the basis for neoclassical analysis is not cultural or intellectual, but theological, in that the assumptions that it makes about human motivations are precisely those which Christian theology attributes to fallen humanity. The attempt of the book to import into secular economic analysis Christian norms and principles that apply primarily to the people of God fails therefore to appreciate the spiritual "gap". We may use these Christian principles to critique the secular economy, but they are unlikely to be useful in explaining it. This is entirely consistent with the book's desire in Chapter III to widen the scope of economic analysis to make it more evaluative. Theoretical paradigms "... must aim to be true, not just in the sense of offering a

description of all phenomena, but in *distinguishing* what is good, constructive and valuable from what is evil, destructive and empty". (p-56). In other words, our Christian framework will often identify elements of a research programme which will differ from those identified by the neoclassical paradigm with its quite different normative framework. But that does not mean, as the book suggests, that standard economic analysis is no good.

The second major claim of the book is that economic analysis should pay much greater attention to economic and social institutions rather than be based solely on atomistic and individualistic economic agents. Part of the response here is that the book is (perhaps because of the long publication lag) simply out of date. There is a thriving literature on the economic analysis of institutions, including firms, families, trade unions, non-profit organisations etc., all within the neoclassical framework. However this literature, with its emphasis on rational economic agents, looks very different from the analysis so diligently pursued in this book. This takes us back to the discussion in the previous paragraph. The authors' basis for analysis is "... a new paradigm for economic analysis, one which takes into account the complexity and normativity of human life." (p80). Complexity requires an analysis which includes various levels of understanding and a wide variety of methods. In practice, in Chapters VII to XIV, complexity of economic institutions such as the family and the firm is dealt with by an eclectic approach drawing on disciplines other than economics, especially sociological analysis. An economist's response to this might be that there are gains from intellectual division of labour, so long as different social scientists do not pursue their research in watertight departments (as they often do) . "Normativity ... emphasises the response which people make to God's call for responsible and stewardly living" (p80). This raises again the issue of how precisely this normative insight impacts on the analysis of the institution: do we analyse phenomena differently, or do we just analyse different phenomena with the familiar tools? Despite this unease with the paradigm, it should be said that the Chapters on the Family, the Firm, Trade Unions and microeconomic aspects of Government are well written, full of interesting insights, and repay careful study. They are going to remain a useful resource for Christian economists for some time to come, even if the material is a bit dated.

The third claim of the book is that the traditional analysis of contract and exchange is inadequate to capture the relationships which are inherent in many, if not most, economic transactions. This issue is discussed at length in Chapter VI, and two points are made. The first is the unexceptionable, but often forgotten, point that the non-exchange economy is

likely to be very large, even in an advanced economy. The non-exchange economy includes "transactions" and economic activity within institutions, especially the family, which are unpriced, and not subject to market discipline.

The second point is that there is much more to exchange than the mechanistic view of markets of conventional analysis. For the authors, " ... the market is a normative community which people join either as buyers or as sellers" (p118). Norms include such things as care by suppliers to ensure the quality and usefulness of the good or service supplied, fairness in the transaction, trust that payment will be made promptly, and ongoing relationships between suppliers and purchasers including customer loyalty and supplier long term commitments to after sales service and advice. The relationship between a client and the provider of a professional service is better understood, therefore, as covenantal. "Markets are premised on love and service of neighbours, not on the so-called law of the jungle" (p119) . Caveat emptor is not sufficient for economic relationships to flourish. This leads the authors to conclude "it is time that the great ... myth of the invisible hand ... was banished from the discipline, and it is recognised that people make markets, and that they are accountable before God for the fairness and integrity of these normative communities" (p122). There is even a call for a restoration of the concept of a "just price": " ... the appeal must be to a norm of fairness in exchange, in which rewards to economic agents are approximately equal for contributions of equal value" (p122).

The criticism that economists have tended to take the existence of markets for granted is probably justified, though once again developments in the economics of information in the last 10 years or so have begun to focus attention on the preconditions for the existence and successful functioning of markets. It is also true that some of the problems identified would not exist, if participants could be relied upon to tell the truth, to keep their word, and to be motivated by ideals of service and fairness rather than seeking to maximise their own advantage in transactions. But sadly human beings are not like that. Once again, the authors' desire to introduce Christian norms is undermined by human sinfulness when it comes to analysing the actual functioning of markets. The assumptions of self-seeking and deceptive behaviour may not be too far from reality. But the critique of that reality in terms of Christian values remains, and is deployed in the book to make an attack on apologists for laissez-faire capitalism (see, for example, the discussion on p119).

This review has concentrated on the first two parts of the book, which make up some forty percent of the text. As already noted, the rest of the book is dedicated to a perceptive

analysis of the "Institutions of Economic Life", within the normative framework set up in the first two parts. There is no space within this review to give these Chapters detailed attention. However, it is worth noting a difficulty. While fuller descriptions of the behaviour of the micro institutions of the economy are certainly required for economic analysis, the resulting complexity is something of an embarrassment when it comes to describing the behaviour of the economy as a whole (the traditional objectives of general equilibrium analysis and macroeconomics). It is therefore interesting to see how this is dealt with in Chapter XIII, which looks at macroeconomic problems and policies. The Chapter begins with a sharp criticism of neoclassical rational-expectations macroeconomics, and goes on to advocate a post-Keynesian or institutionalist view. This sees the economy as in a state of continuous adjustment, so " ... human behaviour in response to economic events is unlikely to be very predictable, and is certainly not governed by economic laws" (p254). Complexity may lead to behaviour that appears irrational at times. However, although order is difficult to perceive, God's world is ordered, so a model building approach is not to be ruled out, so long as the microfoundations are appropriate. The Chapter then goes on to spell out what these might be, and ends up with something that might (in a more analytic treatment) look like a fixed-price neo-Keynesian model. The problem is the complexity to which the authors constantly draw attention. Convincing macroeconomic analysis requires simplification of the microfoundations: the difficulty is to know what simplification is appropriate. The treatment of this in the book is far from convincing. To conclude, this is a book which makes some major claims about the methods and content of economic analysis, and argues those claims persuasively. These arguments deserve to be taken seriously by Christian economists, even though this review tried to indicate some counter-arguments. The book is particularly easy to read, but it is worth persevering with it. It challenges us to think again about where economic analysis is going, and whether, as Christian economists, we ought to differentiate our approach.

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