

This study should also develop criteria for appropriate limits on government intervention and regulation. Such criteria of course would be derived not only from the empirical analysis but also from one's total Christian perspective on economic life.

- ii. Evangelical Brandt Commission and Report  
This would be a huge undertaking requiring many experts, several years and major funding. For the present, we will only undertake a feasibility study.
- iii. Impacting Trade Negotiations  
The study would have a "pro-free market, pro-poor" orientation. Several key items of trade (e.g., commodities, textiles, etc.) could be selected on the basis of the significance of free trade in these areas for strengthening the economies of developing nations. The study would develop:
  - a) a biblical, theological foundation
  - b) a proposal for the GATT and/or other negotiations
  - c) a strategy for persuading the relevant groups to adopt this proposal
- iv. Development of an Annotated Bibliography  
Put on computer and regularly updated, such a bibliography on the intersection of Christian faith and economics would be a useful tool.

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The purpose of this book is to present a fundamental challenge, from the context of Christian faith, to conventional economic analysis and the policies which flow from that analysis. To focus attention, unemployment is taken as a test case, not only because this is an area of economic life where economic orthodoxy has proved demonstrably inadequate, but also because work in service to neighbour is judged to be a primary purpose of human existence. The failure of economic orthodoxy, according to Storkey, arises from its insistence on treating the economy as a naturalistic mechanism, a set of interacting markets. His proposal is for an analysis which treats economic institutions seriously, and pays far greater attention to the norms and values by which they operate. It is to these norms and values, and to the decisions and activities to which they give rise, that we should trace the sources of our economic problems. Evidently this is not just another contribution to the "Christianity and economics" genre, a polite interchange between technical economics and Christian ethics: the author wants Christian theology to rewrite the whole agenda for economics.

The book is divided into three parts. Part One deals with current orthodoxies, Part Two expounds on alternative Christian paradigm, and Part Three points to a new direction for solving the problem of unemployment. Part One opens with the question: Is unemployment inevitable? This sketches the prevailing view that unemployment is inevitable, the outcome of the working of impersonal economic forces such as technological progress, and market interactions. This view arises, in part, from a naturalistic model of the economy as a mechanism. But it can also be traced to the self-interest of economists and those who seek their advice: it suits their purpose to say that nothing can be done about the unemployed. This uncompromising attack on the economics profession is followed by three chapters on different orthodoxies: monetarist; Keynesian and Socialist. The key to the author's critique of each orthodoxy is the failure to analyse economic

institutions properly. Thus monetarists concentrate their attention on markets rather than institutions. In so doing they fail to note that markets are controlled and manipulated by those institutions: the idea of autonomous free markets is a myth. Keynesians concentrate on macro-economic aggregates. They fail to note the significance of differences within these aggregates. They also fail to note the degeneration of the microeconomic institutions that make up the aggregates. If these institutions are not healthy, in terms of their values and objectives, then no amount of Keynesian fine-tuning of the macroeconomy will be successful in dealing with economic problems such as unemployment. The socialist orthodoxy is similarly criticised for its failure to note the diversity of social institutions in its desire to pursue a simplistic analytic schema of class struggle, and for its utopian belief that the State can compensate adequately for the lack of values and responsibility at the level of the production unit or the family.

All these critiques are compressed into some 63 pages of text. Storkey admits in his preface that the analysis is sketchy, that it will not satisfy the proponents of each position, and that he hopes to develop a fuller critique elsewhere. My conclusion is that he is his own best critic in this respect. While I have sympathy with the general tenor of his remarks, I found the detailed arguments unconvincing. For example, a long passage in Chapter Two on "a discretionary market model" and "market strategies" (pp. 25-30) is either making a critique I have failed to understand, or is proposing as a new approach a number of ideas which have long been familiar in industrial economics.

The key to the second part of the book is Chapter 5, A Christian Paradigm. In this chapter, Storkey explores a number of Christian themes which he then applies in subsequent chapters. The first theme is that of stewardship and gift. He argues conventionally that we are responsible stewards of the resources God has entrusted to us in creation. Less conventionally

he argues that since God has given us so much, so the category of gift rather than exchange should dominate our economic life. The second theme is that of relationships and institutions. Our task is to love our neighbour as ourselves. We do not operate in isolation, relating to others by exchange. We live in families, work in firms, belong to neighbourhoods and churches, seek common goals in our political and governmental institutions. The focus of economic analysis should therefore be institutions and relationships within these, including the norms and values which motivate them. The third theme is that of the value of work, where work is defined as effective service to others, as responsible stewardship of resources, as part of what it is to be a human being. This chapter is tantalizingly brief, and one is left with a general sympathy for what Storkey is saying, but without any very clear idea where it all comes from. The clue

is to be found in the Preface, where the author acknowledges his debt to "Dutch Kuyperian Christian thinking" and to the "Christian perspective on theoretical analysis developed by Dooyeweerd and others" (p. x). This no doubt explains the dual emphasis on the normative analysis of structures and institutions, and on the need to challenge the narrow autonomy of economic analysis in its neglect of other disciplines. My complaint is that Storkey is asking his readers to take on board a theoretical framework which is given scant justification: nor, in my view, does he give anything like enough warning that that is what he is doing.

The subsequent chapters apply this framework to financial institutions, business, trade unions and professional associations, family life, the welfare state and the UK's membership of the European Community. Some of these analyses are very acute. Thus the OT rationale for lending and borrowing was to help those in need to obtain the necessities of life and to have the means to earn their own livelihood. The contrast with the rationale of UK financial institutions and markets in the era after the "Big Bang" could hardly be more marked. The Christian norm for the firm should

be service to others, rather than the search for profit. Storkey argues that the Weber-Tawney thesis is wrong to locate the success of capitalism in the entrepreneurial spirit and the desire to increase one's wealth. He attributes the rise of capitalism to the Protestant calling to provide a useful service to one's neighbour: it is precisely the loss of the ideal of service, and its replacement by an ideal of competition and profit, which has given rise to our industrial problems, our lack of business success, and consequently to unemployment. In the labour market, Storkey draws attention to the distinction between an upper tier, who are professional, secure and well paid, and lower tier, who are unskilled, liable to unemployment and poorly paid. The former have secured their position by professional requirements such as education level, specialist training and on-the-job training, which act effectively as a barrier to entry. Such professions have an interest in rationing supply and maintaining waiting lists for their services. No one dares to ask whether a larger, but less skilled, group would provide a better service at a lower cost. In another Chapter, Storkey examines the implications of two-career families for the distribution of income, for unemployment of the less skilled, and for voluntary but highly important work in the family and the community.

It is difficult to do justice to the many arguments and ideas that are presented in these Chapters. But I hope some <sup>very</sup> ~~cautioning~~ notes will not be regarded as unduly carping and negative. A first reservation is that sometimes the economic analysis seems to me to be quite misleading. For example, the discussion of the Stock Exchange on pp. 91-94 criticises the market for its failure to provide finance for new investment. "The Stock Exchange is trading shares on the basis of their current overall performance, rather than the viability of future investments". But that ignores the fact that much investment in UK industry is financed from retentions; shareholders are not unaware of this fact, and their valuation of the shares will include an estimate of returns from future investments. A second reservation

is that hypotheses rather too rapidly become "established" facts. On p. 85 we are told, correctly, that there is no evidence on interregional flows of funds within the UK financial system. But on p. 86 we read: "In the North-East, Liverpool and Glasgow, the funds generated by the communities are clinically eliminated from the area....". In general, the footnoting and referencing of empirical studies to back up statements in the text are inadequate.

The book concludes with two chapters under the general heading of The New Direction. One chapter comprises mainly a listing of the changes in institutional structures and values which would be desirable in the light of the analysis of Part Two. The final chapter deals with the need for national repentance, and for an acknowledgement of God-centred values in society, rather than a continuing reliance on the technical solutions of economic dogma. The Churches are described as having a leading role to play in this process of repentance and renewal. This part of the book leaves two queries unresolved. The first is the role of the political authorities. All three alternatives described in Part One of the book give an important role to the State. But Storkey nowhere develops his own normative structure for the political authorities. It is a surprising omission. The second is that the manner in which different institutions relate to each other is never spelt out. Presumably quite a number of these relationships are mediated via markets and market-related contracts. Much more needs to be said about these. Storkey has quite rightly rejected the over-emphasis on markets in orthodox analysis. But one suspects that his own analysis is too neglectful of them. Not least, there is the question of how his system of interacting institutions adds up. He suggests that it can solve the unemployment problem: but how can we be reasonably confident of that?

Despite the critical nature of some of this review, we are greatly

in Alan Storkey's debt for the writing of this book. Those of us who write on these subjects will not in future be able to ignore the institutional and normative questions that he has brought to our attention. Our critique of his work should be taken as evidence of stimulation (and occasional irritation!), which is in itself a sign of its value. One source of irritation is however less commendable. At times, the book strays from a perfectly proper and stimulating use of analogy and adjectival phrases into a more polemic style. I wish the Third Way series editor had wielded his editorial pen more effectively on these passages.

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Ethical Tensions in the Welfare State

by Roy McCloughry

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In this pamphlet, Roy reviews the policy debates over the future of welfare in Britain. It is the framework and overall objectives of welfare which he is discussing rather than the details of any particular provisions. Much of the debate has been polarised along left-right political lines. The main issues focus upon the role and responsibilities of the state versus its citizens, and the extent of civil and welfare rights and freedom of individuals. This more general framework for debate about the future of welfare in Britain is one which very much concerned the initiators of the Welfare State in the 1940s, but it is very much lacking in the recent government Fowler reviews. However, this is not to say that clear principles are not behind the Thatcher government's policies ; merely that they are not on the agenda in the current government's discussion about the future of welfare in Britain.

Roy's pamphlet is a concise description of the competing value systems, and some elements of Biblical social concerns are used as criteria for evaluating the current alternatives. The policies and values of both left and right are found wanting although each contains overlapping elements with Christians' concerns. The