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tion to the Church. Luca is able to procure him release from his vows. He is admired by Steffi Guillermin, brilliant Rome correspondent of *Le Monde*, a lesbian in a man's world, determined that men shall acknowledge her ability and her personal style. She aids Luca as he mediates between the Mothers de la Playa and Aquino and in a moment of harsh self-revelation she confesses to a male colleague the trauma of a young girl abused by her father. In *The Shoes of the Fisherman*, Kiril himself, upright and ascetic in his life, seems not to recognize the homosexual element in his love for Jean Télémond. He sees clearly, however, its effect upon his point of view and emotional balance and this recognition will henceforth warn and steady him. Kamenov's love for Kiril, in turn, is directed not to a personal relationship but to the welfare of the world. Ruth Lewin, who has suffered the loss of a husband, employs herself in ministering to the needy and is able to resist an easy relationship with Faber and to direct him to a more disciplined and fruitful way of life. Luca himself is able on Isobel's death to refuse election to the Papacy and bid the new Pope "be kind to your people. They live in a rough world. They are often afraid and lonely. They need a caring shepherd." He leaves official life and addresses himself to the task of "making his soul."

These two novels, separated by many years, are strikingly similar in their characters, major and minor, in their themes, and in their ability to make real and convincing the inner and outer experiences and struggles of their characters. Different as Kiril and Luca are in personality, they have much in common: their priesthood, their devoted service of the Church, their suffering, and their capacity for love. The smaller problems of the minor characters in both novels mirror the larger issues and the basic themes. Public and private are two sides of the same coin; but public issues in both books are the background of the real battle, sometimes between persons, but more typically, within the soul. It is not every author who, in his eighties, can write a book as good as the one that took the literary world by storm in the Sixties. The title of the recent novel is particularly *apropos*, for it is eminently worthy of "the old lion," West's own nickname for Cardinal Leone in *Eminence*.

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Why Economists Disagree: An Introduction to the Alternative Schools of Thought
David L. Prychitko, ed., (Albany: State University of New York Press, 1998), 415 pages.

Although both G.K. Chesterton and Hilaire Belloc devoted a significant amount of their writing to what might be called economic topics, professional economists are not likely to give much attention to their writings. The reason for this is that economics has built itself up as a science (in the modern sense of that term), complete with arcane mathematical diagrams and equations. In fact, economics strives to be as much like physics as possible. But this description of economics actually applies fully only to one school, the mainstream neo-classical school, which conceives of economics as a study of individuals seeking to maximize their welfare by means of a semi-automatic process with little reference to the culture or institutions within which these individuals exist. This approach to economics took its rise in the eighteenth century with Adam Smith and continued to develop with thinkers such as David Ricardo and John Stuart Mill. The reader will note that these are writers steeped in the classical liberalism of John Locke, a liberalism founded moreover on Locke and Hume's criticisms of metaphysics, as well as on their social and political thought.

Those of us who consider the Distributist tradition of economic thought to be valuable should welcome the volume under consideration here; for as its subtitle states, it is an introduction to *alternative* schools of economic thought. The book is a collection of essays, some previously published, written by economists teaching at American, English and Dutch universities, which present and explore these alternatives to mainstream neo-classical economics. These schools vary widely in why and how they disagree with the reigning neo-classical school. But all of them believe that mainstream economics is chiefly interested in constructing a neat theoretical model, even though this model may little resemble the real world of economic phenomena.

Another pervasive criticism of mainstream economics is its hostility to methodological questions. The Editor writes: "Most economists follow George Stigler's professional advice: 'Don't think about methodological or philosophical issues until you retire.' Mainstream economists are taught to do economics *first* and philosophize *last*, if at all" (p. 13). But, of course, men cannot perform any activity without at least implicitly following some philosophical theory. Thus, mainstream economists do philosophize, only that they do so is hidden from them. In one of the most interesting essays in this collection, Tony Lawson, writing from a Post-Keynesian perspective, identifies the philosophical roots of mainstream economics in the epistemology of David Hume. Hume, of course, was radically hostile to metaphysics, and Lawson's arguments make clear that it is in its very roots that neo-classical economic theory is tainted. That the alternative metaphysic which Lawson offers as a substitute for Hume, a metaphysics which he calls transcendental realism, is not very convincing philosophically does not make his criticisms any less valid.

The alternative economic school that is usually considered closest to neo-classicalism is the so-called Austrian school, so named because its founders and most notable exponents were from Austria. Readers will probably recognize the names of Frederick von Hayek and Ludwig von Mises, both of whom are associated with a libertarian economic philosophy, which Austrian theorists often incline toward. Austrian economics, however, in its most basic formulations differs from the mainstream synthesis in that it gives much more weight to factors such as time, uncertainty and competition. But it shares with neo-classical theory a deductive method and "it retains the idea of an abstract and purposeful individual" (p. 157), that is, some version of the infamous "economic man."

Other theoretical approaches that differ more widely from mainstream economics are Post-Keynesianism and Institutionalism. The former seeks to build on the insights of John Maynard Keynes, and believes that the contemporary neoclassical synthesis has essentially trivialized Keynes and tacitly abandoned his most important theoretical positions. Institutionalism attempts to approach the study of economics from a new standpoint, and realizes that our economic choices are not made in some abstract realm, but are influenced by the milieu in which we live: "Institutionalists argue that the concept of *the* market (or *the* economy) is a chimera. Market institutions are *embedded* within a panoply of social, cultural, and political institutions, and markets shape, and are shaped by, institutions. To isolate and analyze something called the market . . . is a highly misleading scientific abstraction, and an ideological confusion" (p. 10). Among the most important of these institutions is the legal system itself; for matters such as property rights, forms of corporate governance, the rights of labour to organize, taxation, and so on, are all shaped or determined by the legal system. To attempt to isolate the economic system from the other systems which function alongside it would at best yield only a partial view of reality and at worst a wholly fictitious castle in the air.

Of special interest to readers of this *Review* is the chapter by William R. Waters of DePaul University, "Social Economics: A Solidarist Perspective." Solidarism is the name given by the German Jesuit economist Heinrich Pesch (1854-1926) to the system which he formulated based on Catholic social teaching. Waters characterizes the differences between, on the one hand, the Christian and traditional view and, on the other, modern mainstream economics as follows: first, mainstream economics regards the economy as essentially self-regulating. Thus free competition is the logical force to rule economic activity. A solidarist economics, on the other hand, takes account of the cultural, governmental and institutional systems in which economic actors in fact live and work. People do not respond to economic choices after the manner of atoms reacting with one another, and even when they may be seeking to maximize their individual or family welfare with no thought for the common good, they nevertheless re-act within the cultural, legal and technological framework that characterizes their society. Secondly, for mainstream economics the *individual* is the "basic unit of the economy," whereas for solidarism it is the *person*, recalling John Paul II's rich discourse on the person as foundation of social life. Third, the mainstream economic model, in order to approximate as much as possible the hard sciences, concentrates on the certainty of our knowledge of future economic events, while: "Solidarism does not accept this principle of certainty, so to the solidarists economics is not a natural science. Economics does not attain "scientific status" because free decision-making is not compatible with the rationalistic assumption of certainty. Economics is a softer discipline—a moral science" (p. 184). Finally, neoclassical economics regards *contracts* as the hallmark of social and economic life. Contracts are free agreements made by presumably rational economic actors, by "economic men." But solidarism looks instead at *status*, that is, at what human persons are prior to any contracts they may enter into. An example of these contrasting methods is Leo XIII's statement that despite what agreements (contracts) may be made with regard to wages between employers and employees, "there is a dictate of nature more imperious and more ancient than any bargain between man and man, that the remuneration must be enough to support the wage-earner in reasonable and frugal comfort. If through necessity or fear of a worse evil, the workman accepts harder conditions because an employer or contractor will give him no better, he is the victim of force and injustice " (*Rerum Novarum*, no. 34). Pope Leo XIII clearly recognizes that status (the nature of man) is prior to contract; but, in addition, he recognizes that it is vain to abstract contractual behaviour from the actual historical context in which it takes place ("If through necessity or fear of a worse evil, the workman accepts harder conditions. . . ."). Any discussion of the morality of wages that pretends that there is always equality in bargaining power between employer and employee is not a discussion that has to do with the world in which we actually live.

Waters places his solidarism within the tradition and thought of Christian Europe: "The dispute is about method, and is between those who accept an Aristotelian outlook on the nature of economic studies and those who have adopted the "modern" Enlightenment approach. The Aristotelian view . . . identifies the study of economic life as focused on satisfying the material needs of the community to permit it to survive and reproduce itself. This view dominated Europe during the Middle Ages but fell out of favor almost completely with the rise of the social philosophy of the Enlightenment and its legitimate offspring, classical economics. The latter focuses upon the decision-making behavior of the individual and the maximization of individual and collective welfare" (p. 202). In other words, neo-classical economics fails even to inquire if economic activity has a final cause, that is, it does not ask *why* it is that man engages in activities of production and exchange. It examines these activities after a positivist manner, merely as isolated phenomena, with their own laws, and assumes that the motives of the individual economic actor are all that exist. But a Christian thinker who really bases his views on Christian philosophy and theology, will realize that all human activity is connected. Neither economic behaviour nor economic science can be autonomous, but they must be related to moral theology, to the philosophy of man and to political philosophy.

cf. Pius XI

Waters also discusses a few firms which have attempted to operate according to solidarist principles, or who have been forced to do so in order to overcome worker disaffection and to prevent a business from closing.The example that he admires most is the Mondragon cooperatives in the Basque country of Spain, started in the 1950s by Father José María Arizmendi. Mondragon has definitely been an economic success. Its finance arm, *Caja Laboral Popular*, exists to help and to guide new ventures. Yet its "resources are applied to the social goals of community and regional development with locally based small and medium sized businesses." Despite this, or perhaps because of it, it has done very well: "Its record of starting more than a hundred firms, including some of the largest manufacturers in Spain, with only three failures . . . is remarkable when contrasted with the high business failure rate in America" (p. 201).

After Waters's essay on social economics, the next three essays in the book deal with Marxist economic theories. In view of the collapse of the Soviet Union and of most other communist states, many Marxists today are at pains to distinguish their positions from the discredited "official Marxism" that prevailed in the Soviet bloc. Although, as Pope Pius XI made clear in *Quadragesimo Anno*, no form of Marxism or Socialism is ever acceptable to Catholic thinkers, it does not follow from this that we can never learn anything from them. Indeed, in a passage from the same encyclical, Pope Pius says that the economic proposals of the more moderate Socialists of his day "often strikingly approach the just demands of Christian social reformers" (*Quadragesimo Anno*, no. 113). So, then, in the discussion of various Marxist and kindred theories in this volume, we may well discover some truths.

In the first of these essays, "Comparison of Marxism and Institutionalism," there is much to interest a Distributist. The essay is organized around a series of questions which are posed first to an Institutionalist, then to a Marxist. Perhaps the most interesting of the questions is, "Can the social sciences be ahistorical?" Mainstream economics is a deductive science, and just as physics does not inquire whether the objects which it deals with exist in China or in Chile, in the first century or in the twenty-first, so mainstream economists tend to do likewise. But in the nineteenth century certain German economists, known as the German Historical School, insisted otherwise, namely that the same economic solution or principle might bring about very different results depending on the circumstances in which it is applied. The example instanced is relevant to policy debates today: "One obvious example of the need for historical specificity is the analysis of the free trade doctrine. As the German scholars realized full well, free trade was great for the British in 1870 since British industries were firmly established by then and since British interests were protected by the British navy. But free trade was disadvantageous for the Germans in 1870 since their infant industries faced imports from mature British producers at home and faced British interests backed up by the British navy abroad" (p. 217). But this truth, that economics cannot prescind from historical circumstances, goes deeper and challenges the entire concept of the "economic man," that wonderful creature who spends his life continually buying cheap and selling dear. In Chapter Two of his classic work, *The Protestant Ethic and the Spirit of Capitalism*, Max Weber recounts the *modus operandi* of European cloth merchants before they became infected with the spirit of Capitalism: "The number of business hours was very moderate, perhaps five to six a day, sometimes considerably less; in the rush season, where there was one, more. Earnings were moderate; enough to lead a respectable life and in good times to put away a little. On the whole, relations among competitors were relatively good, with a large degree of agreement on the fundamentals of business. A long daily visit to the tavern, with often plenty to drink, and a congenial circle of friends, made life comfortable and leisurely."

The point here is that because of their *cultural* milieu these merchants were satisfied with a moderate and customary income. They did not seek to maximize their acquisition of money. It is simply not true that everywhere and always men seek the highest returns and drive the hardest bargains that they can. In fact, unless and until a capitalist culture tells them to do so, they will usually be content with a traditional standard of living. The happy situation described above, Weber continues, broke down when some new merchant who believed in working long hours and getting a maximum return from his work, introduced new methods which everyone else was forced to adopt if he did not want to go out of business: "The old leisurely and comfortable attitude toward life gave way to a hard frugality."

A similar point about even more contemporary economic actors is made in the second of these three essays, "Postmodernism, Marxism, and the Critique of Modern Economic Thought": "Consider, for example, the 'normal' activity of consumers. They often shop in the same locations, purchasing many of the same goods, even when prices vary (sometimes considerably) from one marketplace to another and new products are placed on the shelves. . . . Similarly, firms often negotiate long-term contracts with other firms . . . precisely in order to "stabilize" deliveries and to avoid the "disorder" attendant upon the continual recontracting and renegotiating that would be necessary every time the price or quality of a commodity changes. In neither case—and these may be the norm rather than the exception —do markets exhibit the disorder . . . implicit in those neoclassical stories that portray the instantaneous reactions of consumers and producers through the metaphors of supply and demand" (p. 252). Attentive readers will notice the postmodern assumptions even in this short passage from the essay. For in criticising the pretensions of economic science, the authors want to jettison Western rationality itself. Like many contemporary thinkers, whose only acquaintance with Western tradition seems to be with the thin, desiccated rationalism of the Enlightenment and who identify the West solely with scientism, technology and democracy, they do not realize the true meaning of reason, science or Western tradition itself. When they reject modernism they know nothing to embrace except post-modernism. Thus they contrast a "nihilistic" post-modernism with the "repetitious and stale re-negotiations of logical positivism and/or the legacy of Karl Popper" (pp. 237-38). Such thinkers feel forced to choose between Hume and Derrida, apparently having never heard of the tradition of Aristotle, or not considering him a "live option." Though post-modern critiques of modernism often make interesting points, they themselves rest on sand. Only if we get behind both modernism and post-modernism can we have something solid on which to base consistent Christian intellectual inquiry.

The last of the three essays dealing with Marxism, "Toward a Socialism of the Future, in the Wake of the Demise of the Socialism of the Past," is the most interesting to a Distributist. It seeks to distance itself from the "official Marxism" of the Communist bloc by advocating variant kinds of socialism, discussing both "Market Socialism" and "Participatory Socialism." In an introductory section, the author suggests a four-point summary of the goals of *any* socialism, and we should note goal number three, which reminds us of Pope Pius XI's judgment which I cited above, that socialist aims can "often strikingly approach the just demands of Christian social reformers." Goal number three is: "*Solidarity*: as against the celebration of the individual under Capitalism, Socialism calls for the promotion of solidarity among members of communities extending from the neighborhood to the whole of society—encouraging people to develop the sense and the reality of themselves as social rather than simply individual beings" (p. 275). There is nothing a Catholic or a Distributist could object to here, except to point out that socialism provides absolutely no foundation for such solidarity. For in view of the Fall, human nature is now so weak that a bond merely earthly will not stand for long against the passions and selfishness that too often flow from the human heart.

Nevertheless we can look at this discussion of market socialism and participatory socialism and see parallels to Distributist and Catholic social thought. Let us begin with market socialism. Market socialism has its roots in the 1920s as an alternative to the Bolshevik regime that was then consolidating its power in Russia. As the name implies, it desired to retain the institution of the *market,* though heavily regulated by the government; but toward the question of ownership it assumed a more socialistic stance. That is, some market socialists advocated the ownership of all productive property by the State (or the workers in the enterprise), although others allowed for private ownership of small businesses and reserved to the State only "the major sectors and/or the most important enterprises in the economy" (p. 280). It is these latter thinkers that I find most interesting, for did not Pope Pius XI say: "For it is rightly contended that certain forms of property must be reserved to the State, since they carry with them an opportunity of domination too great to be left to private individuals without injury to the community at large. Just demands and desires of this kind contain nothing opposed to Christian truth, nor are they in any sense peculiar to socialism. Those therefore who look for nothing else, have no reason for becoming socialists" (*Quadragesimo Anno*, nos. 114-115).

It is often forgotten that, while remaining always implacable to the spirit or philosophical basis of Socialism, there is sometimes a remarkable convergence between the specific economic proposals of Catholic social teaching and those of some of the moderate forms of socialism. Nor should we forget the similar words of that arch-distributist, Hilaire Belloc. In the following passage Belloc is speaking of enterprises that cannot easily be broken up into smaller units. "State ownership is better, of course, than ownership by a few very rich individuals, or even than ownership by many small shareholders who are at the mercy of a few rich ones, as they are under our English company law. . . . A chartered guild composed of the workers in the system would be one form of communal system securing a better distribution of wealth" (*The Restoration of Property*, chap. 4). Belloc's ideal, and mine too, is for property to be divided as much as possible. It is strange that even the moderate Socialists writiing here do not discuss this concept, but are concerned instead only with the management of large units; and if they allow for private ownership of small business it is almost as an afterthought to which they devote little attention. It is understandable that men brought up in this civilization will tend to think only in terms of the large, but surely our *ideal* can be for well-distributed productive property, a position, moreover, that the Supreme Pontiffs have advocated since the time of Pope Leo XIII, at least.

Going from Market Socialism to Participatory Socialism is like going from the 1930s to the 1960s, for the latter system is reminiscent of the participatory democracy of that decade. Not wanting any form of the market, its device for allocating economic resources will be by participatory and de-centralised discussion, or, as the author suggests, by an endless and ultimately impractical series of meetings: "The basic decision-making units of the participatory system are typically workplace workers' councils and neighborhood consumers' councils, in which production and consumption decisions are made collectively by workplace and neighborhood communities, respectively. But these basic decision making units are embedded in a larger network of related politically constituted bodies, designed to bring to bear relevant considerations and concerns that transcend the scope of individual workplaces and neighborhoods. A critical role in the network of non-market decision-making institutions is played by various planning boards, which are responsible for collecting and dispensing information and for co-ordinating the decisions of separate councils and entities in such a way that decentralized production and consumption plans emanating from all the workplaces and neighborhoods ultimately converge to a feasible overall pattern of production and consumption" (p. 288). It is no wonder that the author says: "The mere listing of these requirements is enough to generate skepticism about whether and how they can possibly be met [and] . . . even if all the needed information could be accurately compiled, wouldn't participatory planning require each individual to dedicate so much time, interest and energy to assessing the information and participating in decision-making meetings that most people would get sick and tired of doing it?" (p. 290). Of course, all this apparatus of Participatory Socialism is for the laudable goal of avoiding the central bureaucracies that characterised the Soviet bloc. But for most of us, there are better ways of avoiding bureaucracies and better ways of spending our time.

Following these chapters on Socialism we come to rather different ground. First is the essay, "The Feminist Challenge to Neoclassical Economics." Though there are varieties of feminist economics, just as there are varieties of feminism, all of them in one way or another share in the fundamental errors that afflict feminism: an unwillingness to recognise that there are natural differences between men and women and that these natural differences necessarily have social and economic consequences—although this does not mean that all the changes in the political or social status of women in the twentieth century were necessarily wrong—and a belief that since our tradition of religious, philosophical and political thought was created largely by men, it necessarily is unfair, exclusionary or oppressive toward women.

Mainstream economics, in a kind of exception to its preoccupation with the lone individual, did not attempt to use its analytic technique to examine relations *within* the family, but treated the family as a unit. And this was all for the good, as far as it went; for it was a kind of tacit acknowledgment that not all human relations should be brought within the cash nexus. But the aims of feminist economists, at least as portrayed in this essay, definitely include examining relations within families, sometimes to the point of absurdity: "Sen concludes that there is inequality in the distribution of food within the family. Evidence from rural Bangladesh and West Bengal suggests that women generally receive less calories than men" (p. 311). But at the same time, part of their agenda is "to conduct research free from androcentric bias" (p. 310). Yet it would seem to me that the desire to bring everything under the cool analytic technique of economics, to use quantitative tools to enter the family, is simply to *extend* what are often seen as specifically androcentric prejudices, the supposed hyper-rationalism of the male. It may be, however, that to these feminist economists, "research free from androcentric bias" simply means that women want to be like males, equating equality with sameness. The preoccupation in this chapter with income equality in the family would tend to support this interpretation. In any case, feminist economists, like all feminists, need to come to terms with the fact of natural differences between the sexes. Whatever social arrangements we may deem best, any that fail to take account of these natural differences are founded on myth.

The final three chapters deal with issues of economic methodology or philosophy, and all of them illustrate the difficulty that thinkers have in coping with philosophical questions when they lack an adequate philosophical structure and background. Like sociology and political science, economics has ambitions to be the architectonic science, using its methods to explain everything, or at least everything pertaining to mankind. Thus one can find economic articles dealing with education, marriage, employment discrimination, and so on. Yet economics, which began as a subdivision of philosophy, broke away and picked up in the process a very questionable (but largely unrecognized) philosophical framework, can never fulfill such a role. Even aside from its erroneous philosophical presuppositions, it is necessarily limited in its scope or formal object. In the first of these three methodological essays, one sees the considerable confusion into which the author frequently falls, even though he is aware of the shortcomings of economics, of "the incredible complexity of human nature which was disregarded by traditional [economic] theory" (p. 342). Having set up a kind of straw man, or a man stripped of most of his real human characteristics, some economists then find that their *homo economicus* does not fit the real world. The better ones are aware of this and cast about for some way out, while those content to continue in the mainstream either ignore the problem or persuade themselves that it doesn't matter.

The next essay is even more critical of economics, for the author boldly proclaims that all economic models and the policy prescriptions that flow from them are "tautological (circular) . . . the conclusions and implications are not independent but are derived from the assumptions. . . . choice of assumptions constitutes choice of conclusions and implications" (p. 347). In the face of this the author laudably recommends modesty and restraint on the part of economists, with a "less pretentious status and less demanding desires, perhaps . . . on a par, as Keynes said, with dentists" (p. 362).

The last essay is a dialogue between two economists, one a neoclassical and the other an institutionalist or Marxist. Both are critical of what they regard as the pretensions of modernism, without however, embracing postmodernism, and both think that the neoclassical approach to economics has too often ignored the reality of the world of actual economic actors: "our students . . . are trained to think that economics is a matter of engineering math" (p. 379). Again one can see economists struggling to get away from clearly inadequate theories, but without a clear idea of where to go or from where to get help. These essays indicate again the truth that there is no substitute for philosophy, and that to approach philosophical issues with a methodology derived from other branches of knowledge will guarantee a failure.

The book ends with a bibliographic essay by the Editor, a very helpful discussion of further reading concerning all of the economic schools and issues presented here. Since each chapter also includes a bibliography supplied by its author, there is a wealth of suggestions for further study. Although the titles listed for solidarism need to be supplemented with the papal social encyclicals and their considerable commentaries, and with economic works in the Distributist tradition, still they are a useful starting-point.

One question that I have not yet dealt with in this review is the intended readership of this volume. Is it intended only for professional economists or for the general educated and interested reader? Some of the chapters in the first part of the book, notably Alfred Eichner's and J.A. Kregel's "An Essay on Post-Keynesian Theory: A New Paradigm in Economics," are nearly impossible for one not conversant with econometrics, for it includes a number of the diagrams and equations which adorn, or perhaps disfigure, most economic writing. But in the second part of the book, most of the essays are accessible for one with some acquaintance with and interest in the subject. And, moreover, this is a subject that ought to be of interest to any educated Catholic or Chestertonian. For it is not something of interest only to narrow specialists, the "dismal science" of Carlyle, nor is it only part of the partisan world of politicians and pundits. The arrangements that a society makes for its economic activity have profound moral and cultural consequences, consequences too important to be left to those trained in the narrow discipline of neo-classical economics. Thus, because economics is too important to be left to the economists, it must become the concern of the theologian, of the moral and political philosopher, of the citizen. Though this volume is not an all-sufficient *vade mecum*, it is a helpful introduction to some of the moral, social and philosophical issues that economics raises. Therefore I recommend it both to readers interested in economics and to those who ought to become so.

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The River Ouse and Bridge in Brandon