

No easy answers in economics

IN the Trinity Lecture I gave at Portsmouth Cathedral, I attempted to bring the perspective of a theoretical economist to promote understanding of issues of social responsibility and justice.

There are no easy answers. These are "hard questions" because any economic action which one might choose to do – and hence about which there can be moral questions – is likely to affect many people in different ways.

Some will gain, some will lose – and in different amounts. If there were easy answers to hard economic questions, politicians would be successful and never voted out.

Churches could return to easier questions on gender discrimination and sexual morality, where people debate which absolute answer is right, assuming that all the others are wrong. People sometimes, but not often, take such an absolutist view on hard economic questions.

Markets with competition and freedom have a great virtue as they can produce a mutually beneficial

theBIG issue



by Professor John Craven, vice-chancellor of the University of Portsmouth and member of cathedral council

Each month, columnists in The Big Issue challenge us with moral, spiritual or social concerns. This month we ask how the Church can get involved in economics

outcome. If they are not constrained in some way by ignorance and powerful interests and forces beyond the market, people will continue to trade until no more mutual benefit can be found.

In those circumstances, people choose whether to participate in a market, and indeed will choose to do so as long as they find benefits from doing so.

But markets also perpetuate inequalities – and are likely to make them worse if there is an uneven distribution of wealth or power or information. After a

day's trading, those who are rich, powerful and educated will remain so, and those who are not may be just as far behind.

Economists talk a lot about money, or so people think, although to a theoretician money is not very interesting. But does money help us evaluate moral judgements? In my lecture I argued that it does not because the hard questions are about the different value that money has to different people.

More precisely, the moral judgement about whether I should give you ten pounds concerns

whether that money is more valuable to you than to me. This invokes a conception of value which is, by definition, different from the "value of money" measured as ten pounds.

So how should we judge proposed answers to hard questions? In the literature of "social choice", which is a branch of economic theory close to political philosophy, we evaluate the consequences of various principles. These include

- Efficiency: mutually beneficial actions should be taken;
- Liberalism: some things are not your business;
- Plurality: no-one should dictate the outcome all the time;
- Equity: everyone's voice should count the same;
- Honesty: no opportunity for strategic advantage;
- Diversity: can address difficult judgements.

In the lecture I gave examples of ways in which these simple principles are often incompatible with one another – and so there is a limitation on how principled we can be.

Of course, if that was not so, we could find answers to hard economic questions and go and worry about something else. But it is

useful to know just how hard questions can be – and what we need to think about when we try and think rationally about making hard choices.

So what should we do? The Church has come some way from having a role as a force to support reaction and the status quo.

There have been successes in raising awareness and to some extent in making a difference, through, for example, the Church Urban Fund and the Jubilee campaign for forgiveness of third world debts and countless smaller acts of well-placed charity.

These successes occur when sufficient people have a shared view of a reasonable answer to a difficult question, and set about trying to implement it.

The purpose of this lecture was to urge people to think more clearly about the morality of choices, to understand the consequences of some economic structures and assumptions and to challenge those who profess greater certainty than clear thinking about difficult questions might support.

● *The views expressed are mine, and not attributable to the University*

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