

Envy and the Search for Fairness in our Economic Relationships

An Interview between Victor Claar and Joseph E. Gorra

In this interview, Professor Victor Claar discusses the importance of economics for the Christian worldview, how envy is a problem to be seriously considered both by the economist and the Christian philosopher-theologian, and how the problem of envy surfaces the problem of fairness and how to deal with it.

Let's first talk about what an economist studies and how the Christian worldview can be a source of knowledge to aid the economist. Can you give us a perspective on what this area of study looks like, especially for you as a Christian economist?

Most people think of economics as dealing exclusively with macro-level things like unemployment rates, inflation rates, GDP, and the Fed. But at its core economics is simply the study of human action: the choices each one of us makes every moment of everyday in an effort to make life better for ourselves or our families. And the choosing matters: for every single action we take there is some alternative not taken.

Now some of the choices we make are pretty trivial: which TV program to watch, which route to take to work, or whether to eat hummus or a Panini for lunch. But some of the choices we make—whether individually or corporately—are incredibly important. For every dollar we individually give to some charity we know is doing good work, that is also a dollar we are not giving to someone else. And when we do give corporately—for example, when U.S. taxpayers give millions of dollars in foreign aid to Africa—it's crucial to ask whether we could have spent those dollars in even better ways to make a lasting difference in the lives of poor Africans.

Economics is fascinating to me as a Christian, then, because we Christians are called to choose rightly in every circumstance. And understanding well how humans behave when faced with choices can give us all invaluable guidance as we seek to care for those around us—whether locally or globally.

Sometimes it is argued that a free-market system produces an envious people. In light of the relevant literature on the topic, how does envy operate in a free-market system? Must envy thrive in order for the free-market to thrive? Do you think that envy is fundamentally corrosive?

First let's be clearer about what envy is. Saint Thomas Aquinas defines envy simply as sadness at the good of another. Thus envy is a thoroughly personal sin: no one need ever suspect he or she is the object of envy. And unlike the other six deadly sins, envy is the one that is never fun at all—even fleetingly.

Church teaching is clear: envy is a deadly sin. Envy is thought to be so thoroughly corrosive to the human person that once it gains a foothold it can put in peril a person's prospect of eternal life. But envy corrodes our relationships with each other, too. Anytime anyone enjoys an advantage over me in anything, for any reason, the temptation to commit the sin of envy is present. And sociologists tell us that we can feel envy most intensely for those with whom we most closely identify: our next-door neighbor with a newer car, a slightly larger house, or a more attractive spouse; or a coworker who receives a raise or promotion when we do not.

It follows that occasions for envy will arise in any meritocracy, including market systems. Market outcomes are almost never equal because rewards in markets accrue to those with something valuable to contribute to the well-being of others. Market outcomes are always different because each of us is different: we have different skills, talents, family backgrounds, appetites for risk, patience, work ethics, and entrepreneurial finesse. And sometimes rewards are different due to just plain old luck.

Now I am certainly no apologist for envy—far from it. Envy is a deadly sin we need to talk about more, rather than continue to deal with in secret misery. We need to confess it. Yet I imagine that for some of us envy can be a motivator to do better; that is envy at its best, if one can even say such a thing. Most of the time, though, envy is a leveler—and as Dorothy Sayers has put it, envy will level things down if it cannot level them up. That is, I may very well seek to

take down a notch those doing better than I in order to make my envious feelings go away.

So I do think envy is thoroughly corrosive: corrosive to the human person and the soul, and corrosive also to our relationships with each other. Either others' success makes us feel miserable, or worse still it leads us to feelings of outright malevolence.

And envy is certainly not required to make markets thrive. But is it an inevitable, ongoing challenge given that market outcomes are not equal outcomes.

One of the most widespread complaints against the free-market system is that it empowers wealth inequality and that is unfair. How would you assess this complaint and its use of “fairness”?

In economics there are traditionally two views of fairness. One view focuses on the perceived fairness of outcomes, while the other focuses upon the rules we all live by. According to the first view, market outcomes are ‘unfair’ when the results are ‘too’ unequal. This view, though it has some degree of attractiveness to most of us, suffers from three fundamental flaws. First and foremost it lacks no precision. In this first view, what seems fair will depend mostly upon where one happens to be sitting at the time. The other two flaws of this view follow from its obvious redistributive implications.

First, this view will likely reduce the incentive for those who already have a lot to work, save, invest, and create new products, jobs, and other opportunities. If this happens, and economists believe it does, then the rate of economic growth will slow for all of us.

Second, in a large economy like the United States, as one example, the ways in which we aid the poor at the expense of the rich are miserably ineffective and inefficient. One source suggests that due to inefficiency and costly bureaucratic overhead, the U.S. spends roughly \$40,000 per family of four below the poverty line to fight the war on poverty. If so, it might very well be more

effective to simply transfer the money directly from rich to poor so that the poor actually get help. Instead we use lots of that \$40,000 to administer costly agencies, administrations, and bureaus that make only marginal differences in the lives of poor people.

The other view of fairness as it relates to markets is one that says that market outcomes really are fair outcomes, as long as the rules are applied equally to all of us. And according to the late Robert Nozick, there really are just two fair rules: a government needs to establish and enforce property rights, and that any property transfers must be made voluntarily. In Nozick's view any rules that extend beyond those two will make *someone* feel unjustly treated.

Extending Nozick's view to market interactions yields a fascinating result: that market outcomes—due to the voluntary, mutually-beneficial nature of most market exchanges—really are fair outcomes. And if we find ourselves feeling envious of another, then, the problem must lie within ourselves since the results we driven by a process that is fair to all.

Is an economic system that redistributes wealth an attempt to respond to the problem of envy? If so, how? Does it succeed? Is it morally superior to a free-market system if it can deal with the problem of envy?

Any inequality will engender envious feelings. In fact sociologists and psychologists suggest that feelings of envy are most intense when we compare ourselves to those we are closest to. Attempts to narrow the wealth distribution in an effort to eradicate envy will fail. Anytime anything good happens to someone else for any reason, envy is possible. Redistributing wealth cannot fix a sin that comes from within, and it can never, ever makes things equal enough to eliminate the temptation.

Can you speak to how mediating institutions (e.g., church, family, etc) have a “healing” or “redemptive” role to play in an economic system (especially a free-market one), where there is a need to help people deal with their envy of power and of wealth?

You suggest some big steps, but I suspect our society could stand to begin with a few small ones in dealing with the sin of envy. We never talk about it because we never have to. It is a secret sin. Your Christian brothers and sisters can lovingly point out sins they see, but they simply cannot point out the sin they cannot see. Further, envy is probably the most embarrassing deadly sin because if known it reveals one's true regard for others—a regard that is not good at all. I think most of us could temporarily live with others knowing about our anger, greed, lust, sloth, pride, or gluttony. But we fear letting others know we are downright miserable people when envy corrupts us.

So an obvious baby step is to start talking about the sin of envy. Confess it. Pray about it. Give sermons about it. Get it out of the dark corners of your heart and mind. Unburden yourself, tell God, tell others, and begin experiencing a greater peace within—as well as better relationships with the objects of your envy. Scripture tells us to rejoice when others rejoice. Envy reduces such rejoicing to a lie we tell to the objects of our envy.

We really do need to get market-minded theologians and theologically-minded economists talking more about the problem of envy. Many of us already understand that market systems work best at improving the lives of the poorest people in a world where the human condition is a fallen one. So I would like to see more careful articulations of why attempts to purge envy are doomed to fail in a fallen world, and moreover will lead only to slower economic growth, fewer personal choices, and more persistent poverty where it is more severe.

Dr. Victor V. Claar is a professor of economics at Henderson, the public liberal arts college of Arkansas, where he specializes in teaching principles of economics courses. He is also coauthor of *Economics in Christian Perspective: Theory, Policy and Life Choices*. He has written articles for *Applied Economics*, *Public Finance Review* and the *Journal of Markets & Morality*, among others. Dr. Claar recently finished a new book on fair trade for the Acton Institute, entitled *Fair Trade? Its Prospects as a Poverty Solution*.