

In 1849, the historian Thomas Carlyle wrote a pamphlet describing economics as “the dismal science.” And economics has had trouble shedding that label ever since.

But that label doesn’t really fit economics very snugly. For starters, economists still debate whether economics is truly a science like physics, for example, or whether economics has a different dimension, a different framework. Somewhat of a consensus has settled around calling economics a “social science”—sort of a softer version of the natural sciences, like physics or biology.

But then, we get to the dismal part. Why dismal? That makes no sense, really, when we dig into economics. Much of understanding economics can be really quite fascinating and helpful.

The illustrious Adam Smith of Scotland is widely credited for kicking off the modern era of economics. His most famous book, its title shortened to *The Wealth of Nations*, was published in 1776, the year of the U.S. Declaration of Independence. Groundbreaking in its pulling together of key economic ideas, Smith is pretty much universally heralded as “The Father of Economics.”

Smith was part of what is known as the Scottish Enlightenment. And that requires a bit of attention from us. Wise historians tend to break the Enlightenment into two different geographic and philosophical movements: the French Enlightenment and the Scottish Enlightenment. While leading thinkers in both movements were focused on advancing knowledge and policy as they saw fit, their approaches have been contrasted in many different ways. French vs. Scottish? To put it one way, the French could generally be considered more leftist (and severely secular) while the Scottish more rightist, in Smith’s Scottish case manifesting itself with the “invisible hand” of free markets and the resulting building of wealth.

A bit of British history is helpful here. British history? Well, there are some of us who seem to think that all of British history starts with actor Mel Gibson playing William Wallace in the movie *Braveheart*, skips to the American colonies declaring and winning independence from England, then leaps to Winston Churchill smoking cigars during World War II, and, most meaningfully of course, ends with the Beatles and the so-called British invasion of music in America in the 1960s! Nice and tidy, for sure: the four key simple data points over many centuries, from an American point of view. What else is needed?

But the reality is, the 1700s were exceedingly important to the Scots politically, religiously, and economically. King James—yes, *that* King James of Bible translation fame—was Scottish but had royal lineage in England and Ireland, too. So King James reigned beginning in the early 1600s over both England and Scotland at the same time, but those two kingdoms were not united formally until the 1707 Act of Union. But even then it was rocky for Scots for decades, and the Scottish philosophers like David Hume and Francis Hutcheson and Adam Smith arose as part of the Scottish attempt to help navigate the era.

The Scots were very independent people, and that not just from the famous Highlands Clans. And the Presbyterians of Scotland were quite comfortable in their understandings as compared to the Church of England. But Scotland was far behind England economically. England was a huge powerhouse, and Scotland was nowhere near competitive with them. There had been trade policies before 1707 that were very confining—Scotland was barred from access to lucrative English colonies like the Americans, for example. And there were long-standing trade barriers directly between England and Scotland.

Why is this history important? Because it took a very long time after 1707 for these policies to get untangled. And Adam Smith, the Father of Economics, earned that title by thinking deeply about how things ought to be, not from a theoretical, pie-in-the-sky perspective, but from a realism of how wealth truly gets created and the obstacles, blockages, and partisan biases that work to defeat true wealth creation—like those obstacles embedded in Great Britain.

Also, Smith and the other Scottish philosophers were quite concerned about moral philosophy, again from a practical perspective—so much so, that 17 years before publishing *The Wealth of Nations*, Smith foundationally published a book called *The Theory of Moral Sentiments*.

Scholars who study Smith will never agree exactly how Smith's thinking all fits together seamlessly. But here's what we can conclude. First, Smith authored the first truly fully-developed, eloquent case for free markets. Second, he attempted to craft his thinking in the core context of being moral individually and societally. Third, his studies and effective use of economic terms like "invisible hand" and "division of labor" have stood up well over the centuries. Fourth, his practical approach in response to real-world experiential problems is of huge value in our rhetoric-slinging world full of unfounded or weak assertions.

Why is all of this important to you? Because long ago, of necessity, you became a street-level, opinionated lay-economist—you engage in economic transactions every day for yourself and on behalf of your workplace enterprise. And, accordingly, you hold opinions about the fairness and effectiveness of a free marketplace. Second, because of the recent, headline-worthy calamities in Venezuela and Greece where, as is typical, socialism has been tried and found devastating. Third, because of the current false socialist claim that several Scandinavian countries are socialist when in reality they are market economies with a welfare state dependent upon an underlying market economy. And last, because real, sustained prosperity for the most citizens in your nation relies upon Smith-style free-market foundations, and many nations are now drifting or even galloping towards socialist programs and structures and politicians.

Now let's go back to Britain for a captivating story! Two hundred years after Adam Smith, in the 1970s and 1980s British Prime Minister Margaret Thatcher famously led a huge economic revitalization of free-market prosperity. Among many actions, Thatcher's government privatized enormous government-owned firms, selling giants British Airways, British Telecom, British Steel, and British Gas to private parties.

Amazingly, over 100 countries worldwide then executed variations of Thatcher's implementations of free-market principles, including U.S. President Ronald Reagan, who enthusiastically shared Thatcher's free-market principles. The overall result was a general worldwide boom of prosperity. Simultaneously, the Socialist-Communist Soviet Union's long-festering failure and final dissolution provided a glaring, unmistakable example of the philosophies of Marx and Lenin, the exact opposite of those of Adam Smith.

But what about the morality, you say? Didn't the early church share resources among believers in that story in Acts? Yes...*voluntarily!* Those believers were stewards of their own resources and voluntarily chose the recipients. But socialism is not voluntary—it is a man-made political structure that uses unchecked power to force others to act in unfruitful, often-putrid ways, often in the name of compassion and equality. But an honest look at once-very-wealthy Venezuela's socialism in our time is revealing—extreme food shortages, massive blackouts, confiscation of property the size of several U.S. states...wow!

In this age of loose political rhetoric that has demonstrable consequences, it's essential to ask important questions about politicians' policies—in context of the hard lessons of history. When a government's policies are targeted to change behaviors of others, what are the typical outcomes of such policies in the past? Are these policies a corrective towards free moral agents living their own lives or towards the government controlling or simply taking the resources of citizens? Just who has the government specifically selected as winners and losers, and why? Is the policy mostly just politics by envy and power?

What's at stake? Freedom. Really. True freedom for your children. Will it be "freedom" constrained by government's supposed "morality" forged by the administrative state, a forced mediator replacing Jesus as the only appointed mediator? That's in 1 Timothy 2:7. Or will it be true freedom largely defined by people acting as their own moral agents? Thinker Adam Smith and real-world practitioner Maggie Thatcher pointed the way with the invisible hand of free markets! Feeling like Adam in your economics?

A&A: Application & Action

1. Briefly summarize your understanding of correct economics and how the Bible supports and informs that understanding. Be specific.
2. Can one be a Christian voter and be ambivalent about deeply conflicting economic policy choices, e.g., free markets versus socialism? Which approach is most conformed to Biblical structure?
3. Why do you think that socialism seems to have captured the imagination of many Americans, including some serious Christians?