

Integrating a Social Justice Perspective in Economics Education: Creating a Distinctly Catholic Education

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Business schools from Catholic universities, striving to be mission-driven face many challenges not faced by secular business schools. Over-arching the myriad complexities of teaching individual disciplinary bodies of knowledge is the question: Is there any meaning to the phrase “Catholic business education” or is “Catholic” superfluous? In other words, does “Catholic” make any difference to students, faculty and to the educational outcomes of a business school within a Catholic university? The call for examination of our Catholicity is not new. Questions of whether and how our programs are distinct and distinctly Catholic have been asked repeatedly. This paper suggests two views on the implications of our continual revisiting of these questions, one more favorable than the other. The favorable perspective: It is borne out of a natural tendency for continuous quality improvement. The alternative is that it comes from a suspicion that we are failing; that “Catholic” is in fact, merely a superfluous adjective. Regardless, we argue that this conference’s call has a better chance to make a difference for three reasons: It is targeted, pragmatic, and recognizes faculties have to be engaged and supported. This paper explores these questions in the context of economics education.

The major contribution of the paper however is its proposition that a seemingly separate problem in the teaching of economics is in fact closely related to the “Catholicity” problem, as we label it, and any serious attempt to achieve a catholic character in a business school must consider both. We describe this problem as a disconnect in the teaching of issues related to market economics and social justice between faculty who support market-based economies and those who believe capitalism promotes economic injustice. It occurs not just at secular institutions, but also and even more profoundly in Catholic universities.

The disconnect we describe exists between the teaching of two faculty groups about the functioning of markets; benefits and harms, the conduct of business within market economies, which is so out of touch with each other that students cannot reconcile them or even connect the classroom discussions of the two faculty groups. For convenience, we suggest that this disconnect occurs between the teaching of courses offered in the unit of the institution that houses the Humanities and Social Sciences, and the unit that houses the Business and Economics programs.

A thorough discussion of the disconnect thesis can be found in, “Conflicting Views of Markets and Economic Justice: Implications for Student Learning,” Carrithers and Peterson, *Journal of Business Ethics*, Volume 69, Number 4, 2006. This paper will draw from the previous work to help our audience understand terms and definitions.

After presenting our view of the Catholicity problem and introducing the disconnect problem, we show how these two are related. At a fundamental level we believe there are inherent tensions between Catholic thought and orthodox economics, thus business disciplines in general. Sadly, our research has shown that attempts to initiate discussions on issues of social justice at Catholic universities have often resulted in knee-jerk vilifications of schools of business, their faculties, and students. More positively, our paper aims to demonstrate that seriously addressing the Catholicity problem will simultaneously diminish the problem of disconnect.

Next we examine two obstacles that impede faculty from addressing either of these concerns. Both stem from natural inclinations, or perhaps inhibitions of faculty. First, as a rule, faculty feel that to speak on a subject, they should be trained in that subject. Graduate education in economics and business focuses narrowly within their disciplines. Lack of training in broader social questions biases faculty away from questions that cross the disciplinary boundaries of philosophy and theology. The second obstacle is a corollary of the first. Faculty have no desire to address these topics. An accounting professor may ask, “What am I supposed to teach in my class about social justice?” Or, “What am I to say when one of my students is chastised in a religion class for her choice of major?”

If faculty do not feel competent to speak on Catholicity or feel that they should not cross disciplinary lines, they must be otherwise motivated to do so. We demonstrate in our paper that by addressing the concerns of Catholicity and disconnect, instructors can improve students’ understanding of the particular discipline they are studying and, by incorporating critical perspectives, their cognitive development as well. We assert that stressing the complementarity of our ultimate objectives should increase faculty participation.

If our understanding of the obstacles facing faculty is reasonable and our proposal to motivate them is sound, what remains is a fairly clear solution. Efforts to increase Catholicity and address the disconnect must be engaged on a disciplinary level. Faculty must be shown how and where within their disciplines, the larger social questions can be addressed. They must also be taught contrasting, especially dissenting, views. These contrasting views should not be limited to, but should include CST. Our suggestion therefore is that we move away from university-level or school-level discussions toward student engagement along disciplinary lines. Catholic universities need to sponsor disciplinary events (seminars, colloquia, multi-day conferences, sponsored paper series) to affect these ends.

To this point, our paper is directed to a general audience of educators. From this point forward, however, our paper becomes more detailed and focused on the specifics of modern, neoclassical micro theory. We begin by conducting a lengthy review of the economics discipline’s rationale for markets. We are careful in this review to call attention to the explicit and implicit philosophical precepts that underlie the discipline’s rationale. We feel this review is necessary because these precepts appear to be fairly innocuous when considered only briefly and without contrasting views.

From these underlying precepts we trace two lines of inquiry that address the role of markets (and government) in society. The first we refer to as the “market structure/market failure” tack. Here the discipline focuses on faulty markets, problems with these markets, and the means by

which to address the consequences. We note that the discipline has devoted enormous energy to this investigation. Further, we suggest that those who advocate embracing the principles found in CST would find favor with policies based on the recommendations that emerge from this line of inquiry

The second line of inquiry is less developed and is only rarely included in the teaching of undergraduate economics students. It is found within the sub-discipline of welfare economics. Within this sub-discipline economics takes up normative questions such as, “Do markets serve individuals well?” and “Do markets contribute to the consumer’s desire to maximize her utility?” We review the major findings and a set of elegant proofs, which show that if the world is characterized by perfectly competitive product and factor markets, then markets do indeed serve society well. These proofs reveal three appealing optimalities—allocative efficiency, productive efficiency, and distributive efficiency.

We worry that while these optimality results are generally announced in one or more undergraduate economics classes, the underlying assumptions behind these results are not even mentioned, let alone investigated. By changing this practice we hope to achieve the ends cited above—enhanced discipline-specific understanding, critical thinking, improved discourse, and Catholicity.

To these ends, our paper discusses the following set of initial assumptions and precepts that are a part of modern, orthodox economic theory:

- The consequentialistic nature of the discipline’s humane metaphysics
- The discipline’s notion of the good—preference satisfaction
- The exogeneity of preferences
- The homogeneity of utility
- The relationship between rights and utility

We then discuss potential limitations regarding the interpretation of the Pareto optimality conditions demonstrated in Welfare Theory. Our investigation of these results focus on:

- The view of the individual within society
- The non-uniqueness of the optimality results (in production and distribution)
- The lack of connection between preferences and price signals

Having made the underlying assumptions and philosophical precepts clear, we consider potential weaknesses and criticisms. While the discipline of economics has done considerable work here, we attempt to further the conversation by offering the perspectives from within CST and by including related discussions from papal encyclicals. These discussions focus primarily on the topics of distribution, needs vs. wants, the notion of the good (including the common good), rights (including property rights) and product pricing.

Our paper concludes with proposals for two specific courses of action. Both are aimed at economics faculty teaching specific courses common to all undergraduate curricula—Intermediate Microeconomics and the History of Economic Thought. (Note: It would not be difficult to expand our vision to include faculty specializing in the sub-discipline of Economic Development.) Both courses of action rely upon the same materials. We present a list of

matched readings that articulate the discipline's orthodox position and readings that provide contrasting and dissenting assumptions or views. It is our belief that this set of matched readings could become the source material for a conference dedicated to expanding faculty understanding of how the teaching of economics can be enhanced by the incorporation of CST. Alternatively, these materials could be used to construct an instructor's manual (and perhaps students reader).