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Watts, Michael, ed. *The Literary Book of Economics: Including Readings from Literature and Drama on Economic Concepts, Issues and Themes.* Wilmington, Delaware: ISI Books, 2003. 450 pp. $28.00 hardcover.

Michael Watts' *The Literary Book of Economics* shows that literature affords an enlivening perspective on economics, one that underscores the everyday relevance of the "dismal science." The book's sections, organized by economic topic, contain literary pieces prefaced by overviews. While not without difficulties, Watts' effort gives a helpful launching point for exploring Catholic teachings about economic matters and, *pari passu*, for criticizing – from the same tradition's perspective – the impoverishment of economics as currently practiced.

Let us begin with the similarities Watts points out between literature and economics. Like literary writers, economic theorists look at the "causes of effects of what people do." Also, literary writers are constrained by the same considerations that interest economists with respect to economic agents. For example, are the individuals depicted in literature, or described in economics, behaving rationally, and do literary and economic accounts cohere with our knowledge of the way people behave? In addition, economics professors who do not tell stories tend to get poor undergraduate teaching evaluations.

On the other hand, Watts sees significant differences between literature and economics. He claims that "most modern economics analysis is intentionally designed to be limited to positive (what is), rather than normative (what ought to be), analysis and discussion. For example, economists assume that individual consumers maximize utility; but exactly what goes into the consumer's utility functions – in other words, what things will make consumers happy – and how it gets there is rarely studied, and even more rarely questioned." By contrast, Watts claims that literary writers actively and explicitly engage normative matters: "their canvas is the entire range of human experience: normative and positive, material and spiritual, utilitarian and aesthetic."

If, as he suggests, fruitful interdisciplinary interaction can transpire between them, one asks: why does Watts not discuss ways that economics (at least its mainstream varieties) could or should far more squarely engage its relationship to ethics, in the way he suggests literature does?

True, Watts recognizes the normative dimension of economic issues. For example, he says that "since economists can show that free trade is good in the long run but will cause some workers to lose their jobs in the short run, they might also consider providing public assistance to help retrain or even relocate these workers." However, we are left wondering by what principles of justice he reaches this conclusion.

Ethical judgments also appear in the "Cost-Benefit Analysis" section. In the preface there to the passage from Jonathan Swift's "A Modest Proposal," the author mentions contexts in which "financial values are regularly established for life and limb as a necessary step in determining what outcomes are as fair *and* efficient as possible" (author's emphasis). But why is such a procedure *necessary* to arrive at fair policies? Might another strategy be more appropriate to draw conclusions about fairness? Also, earlier in this section the author asserts "as soon as we say anything is infinitely valuable that means we should devote an infinite quantity of resources to producing it." This is a *non sequitur*.

Other opportunities for rich, critical discussion of the nexus between ethics and economics are similarly lost. Do economists correctly presuppose (see above) "that individual consumers maximize utility" and that this claim is to be understood in "positive" (i.e., non-normative) fashion? These assumptions seem suspiciously attuned to their goal of modeling human behaviors, interactions, and organizations in a methodologically simplifying and "scientific" way. Why not ask whether economists are smuggling in normative assumptions reflecting how they would *like* humans to behave? How might this be problematic? What permits economists to disavow involvement with normative claims but inject them as they appear necessary or even theoretically convenient?

Likewise, the section on cost-benefit analysis states, without apparent demur, that "if there is a golden rule of economics, it is this: 'when the additional benefits of doing a little more of something are greater than the additional costs, do it. When the additional costs are greater than the additional benefits, don't do it.'" But why? Are some acts not intrinsically evil, such that one ought not to engage in them, regardless of the consequences? Similarly, it would be good to hear more about the operative sense of "better off" when the author says of a character in *Catch-22* that he "comes very close to expressing the normative standard that economists accept far more often than any other, Pareto efficiency. An action is Pareto-efficient if it makes at least one person better off without making anyone else worse off."

In the end, we do not have much sense of the author's own views on ethics (or social or political philosophy for that matter), nor much by way of informative discussion about the relationship between economics and literature's normative dimensions. These lacunae mar the book's otherwise valuable assumption that there is much for literary critics and economists to talk about.

Despite these drawbacks, readers of this journal can find the book's approach very helpful. In teaching or in their own ponderings, social scientists, literary critics, philosophers, or theologians can use literature to explore how Catholicism's socio-economic teachings, as exhibited in the social encyclicals and interpretive commentaries, play out in everyday interactions.

Consider the section on "Property Rights and Incentives." Its introduction mentions, but does not take sides on, alternative accounts of property rights as a Lockean natural right or as merely social convention. Aquinas's commentary on property in the *Summa Theologica* can provide a backdrop for classroom discussion of this section, engaging such questions as: how does Aquinas's theory of property differ from that of Locke or a social conventionalist? Are the neighbors in Robert Frost's "Mending Wall" behaving reasonably, or do their actions reflect an excessive concern with property boundaries? How do Aquinas's insights about property extend to the problem of the commons dealt within in the passage from "The Perfect Storm?"

Consider as well the book's section on cost-benefit analysis. The author realizes "that there are some kinds of things that are, by law, removed from the realm of economic valuation," and goes on to mention that "the boundaries for what can and cannot be traded in the marketplace, or reasonably weighed in terms of costs and benefits, have attracted the attention of literary writers for centuries." John Paul II in *Centesimus Annus* similarly states that "there are goods which by their very nature cannot and must not be bought or sold." He recognizes that there is a "limit on the market . . .There are important human needs which escape its logic." Watts' section on cost-benefit analysis, with its associated literary narratives, could be a departure point for exploring or discussing what goods, according to Catholic tradition, should not be subjected to market analysis. The ban on usury, or the ban on simony, are examples of goods – the use of money, and the sacraments, respectively – that were traditionally regarded as non-marketable. How might a Catholic natural law framework provide guidance, in general, on the limits of markets, and how might it differ from whatever "boundaries" are acknowledged within contemporary economic literature? These questions segue into a very big topic: what relevance might the Catholic prohibition on usury, appropriately translated, still have in modern economies?

The section about opportunity costs is another worth discussing from a Catholic perspective. These are the costs of those things given up after one decides to pursue one option rather than another. The book uses Frost's "The Road Not Taken" to illustrate this concept. In comments preceding the poem, Watts says "every economic choice entails an opportunity cost, whether it is something as simple as deciding whether to buy a hamburger or a hot dog, or something as important as choosing a career or a spouse." This leads to some engaging questions. In what sense is choosing a career or a spouse an *economic* decision? What distortions attend the activity of attempting to measure, economically, the "opportunity costs" of selecting one as opposed to another option in these realms?

Literature can help explore many other issues relating to Catholic economic thought. How can the Church's recognition of the value of free markets be rendered consistent with its critique of what John Paul II describes as an "idolatry" of the market? What does the tradition say about monopolies? What is the Church's view on those conditions under which state intervention in economic processes are justified? How does the concept of subsidiarity enter here?

These are examples of how, taking a cue from Watts, literature can vivify topics in Catholic economic thought. *The Literary Book of Economics* is a very helpful resource for addressing questions like these when taken in tandem with other materials, such as magisterial, philosophical, and theological texts, that systematically address the relationship between ethics and economics.

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