



# Does Economics Need an Infusion of Religious or Quasi-Religious Formulations? A Symposium Prologue

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[LINK TO ABSTRACT](#)

This symposium, co-sponsored by the Acton Institute, aims to explore whether ideas or concepts with religious overtones—or even overtly religious concepts—do or can enrich economic thinking. So, broadly, the symposium is about connections between economics and religious faith.

The topic is not, however, whether religious communities need economics—everybody needs economics! Nor is the topic whether a society benefits economically or otherwise from religiosity.<sup>2</sup> Nor is it the economic analysis of religious activity.<sup>3</sup>

Rather, our focus is the enrichment of economics: Is economics suffering from an undue flatness? If so, why is that happening? If economics needs an infusion of richer concepts, what are some of the richer concepts? Also, if economics needs an infusion, *for what purposes* is it that such infusion is needed? What purposes is economics trying, but failing, to serve, because it lacks richer concepts?

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1. George Mason University, Fairfax, VA 22030. For helpful discussion and/or feedback on this piece I am grateful to Niclas Berggren, Victor Claar, Ross Emmett, Robin Klay, and Paul Mueller.

2. There are, of course, vast literatures on whether society benefits from religiosity (or what sort of religiosity). Some recent studies include McCleary (2008), Berggren and Bjørnskov (2011; 2013), Basten and Betz (2013), and Wiseman and Young (2013). Meanwhile, I recommend Larry Siedentop (2014), contending that Christianity was crucial to the emergence of Western liberalism.

3. On the economic analysis of religious behavior, see Iannaccone (1998), McCleary (2011), and Oslington (2014).

Supposing that economics does need richer concepts, what if the richer concepts have religious overtones? If economists were to incorporate concepts that have religious overtones into their thinking and discourse, would that necessarily bring faith into economics? If so, would that be a problem? Why or why not?

Economists Deirdre McCloskey (2010a), Vernon Smith (2012), and others call for a richer understanding of the human being. Along with the economist Bart Wilson, they call the enriched economics “humanomics.”<sup>4</sup> But what if understanding the human being is tied up with religious beliefs or religious understanding, or, at any rate, concepts that have a religious flavor and connotation?

Our topic—whether economics needs an infusion of religious or quasi-religious formulations—has already been addressed by others. The topic is addressed regularly in the work of various associations, programs, schools, and journals. In organizing the present symposium, I asked Professor Robin Klay to provide a brief guide to economics-oriented faith-based networks, organizations, programs and publications, particularly in the United States, as well as to highlight some of the prominent economists of the postwar era who have openly connected their religious faith and their work as an economist. Her splendid report, “Where Do Economists of Faith Hang Out? Their Journals and Associations, plus Luminaries Among Them,” makes part of the present symposium (Klay 2014).

I confess that I regard economics as unduly flat, and I favor infusing quasi-religious concepts into economics. Such a development would presumably tend to give a larger place to faith within economic discourse. Though I myself am not religious, I think that such developments would be a good thing.

Many critics complain that professional economic discourse tends to flatten matters down to certain admissible concepts, methods, or modes of discourse. The complainers vary in political ideology, religious belief, methodology, and other ways.

I count myself among the complainers. Let me rattle off some complaints according to my own lights, to provide some context: I think professional economics tends (too much) to flatten decision down to choice; to flatten human action down to optimization; to flatten knowledge down to information; to flatten motivation down to incentive; to flatten discovery down to deliberate search; to flatten morality down to constraint or preference; to flatten aesthetics down to preference; and to flatten the conscience down to nothing. Economics tends to flatten competition down to certain technical notions, and it tends to eliminate entrepreneurship. It tends to confine freedom or liberty to matters of the possibility frontier. Also, it tends to give to some of its central concepts a semblance

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4. The term “humanomics” was used previously, and the journal *Humanomics: The International Journal of Systems and Ethics*, now edited by Masudul Alam Choudhury, has been published since 1985.

of precision that, in most any genuine human issue, turns out to be false. Such concepts with a false semblance of precision include individual utility, social utility or welfare, and efficiency. The semblance of precision is often achieved by keeping the discussion flat.

What are some of the “richer concepts” that economics supposedly stands in need of? Again, I can only suggest some that I personally fancy, but it is hoped that the symposium will prompt the contributors to elaborate on ideas that they feel would enrich economic discourse.

To approach some richer concepts, consider the explicit use of allegory. I think allegory that invokes a universally benevolent and super-knowledgeable being is essential to some important economic ways of speaking (Klein 2012a, ch. 5). I think some such allegory is essential to talk of the price system as a system of communication, to talk of an extensive cooperation throughout the economic system, and to talk of market error and correction (2012a, ch. 14; 2012b). I think that some such allegory can be helpful in talking of aggregating social costs and benefits and even in expositing the very idea of an ‘economy’. These are just some possible examples, and I suggest others below.

I embrace some such concepts and regard them as quasi-religious. But others who also wish to embrace some such concepts might be inclined to drop the “quasi-”. Since many people and many economists are of religious faith, it will be natural for them to associate any such allegories and other similarly evocative concepts with their religious faith. And doing so may give a life and vitality to the richer concepts. Also, if some economists incorporate religious faith, they might be more successful in teaching economics to religious audiences.

It is still true that economics training often trains the student to think of the human being as a utility maximizer. McCloskey (2006; 2010b) has critically examined such representation of the human being, calling the representation “Max U.” George Stigler (1971, 274) called utility maximization an organon, that is, a postulate that organizes discourse. Some of the flattening in economics relates to that organon.

Starting from the notion of Max U, I now proceed to entertain some ideas that, *to me*, seem important and yet tend to be downplayed or even precluded in economics.

‘Utility’ is nondescript, and there are virtues in its being so. But there might also be a hazard in being too reluctant to say what it is that yields utility. Part of economic understanding is understanding the arguments of utility functions, so to speak. Consider some possible arguments that might be quite general to humans:

- One possible argument of a utility function is coherence. Why is it that we can become so upset when we fail in trifling tasks or make a mistake? Maybe it is because such failures seem to mock

our faith that we can go forward with self-coherence. Perhaps some such faith is our salvation from stagnation, incoherence, and emptiness.

- Coherence relates to larger purpose. Faithfully advancing larger purpose relates to living an integrated life, or to integrity, or even purity. Søren Kierkegaard (1948/1847) said, “Purity of heart is to will one thing.” But here Kierkegaard certainly would not admit the ‘utility’ of Max U as such a “one thing,” because, by postulate, ‘utility’ is imputed to whatever it is that is willed. No, the one thing must be meaningful; it must have form and distinctness, even if fuzzy. Adam Smith (1790, 235-237) spoke of “universal benevolence.” That is one thing the willing of which might give your actions coherence.<sup>5</sup> Sure, it is loose, vague, and indeterminate, but not meaningless.
- Advancing universal benevolence is not necessarily as ascetic as some might suppose. Delighting in that chocolate milkshake or the football game on TV might be your best way in the moment to advance universal benevolence, since your delight makes a part of the whole and pleases the benevolent beholder. Also, without some of the more profane rewards you simply might not be able to keep up the program, or to keep it on a sensible track, or to be creative in discovering new and better tracks. One might structure such recreation as habits, rituals, or Sabbaths, using rules.
- Rules—expected regularities, associations, maxims, presumptions—emerge in our consciousness: rules regarding the constituents of our purpose, regarding ways outside of ourselves to advance the purpose, regarding ways inside of ourselves to get our multiple and conflicting subordinate impulses or passions to advance those outside ways, and so on. We develop allegiance to rules, or a sense of duty. At night when we lie down to bed, we want to feel that we’ve had a good day, that we have met our duty. Is meeting our duty an argument of our utility function?
- From reading *The Wealth of Nations* one may figure that earning honest income is a good way to advance universal benevolence. One might even feel that augmenting his honest income is a duty, figuring that, other duties not going neglected, the more honest

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5. “If a man should will one thing, then he must will the Good, for in this way alone was it possible for him to will a single thing” (Kierkegaard 1948/1847, 175).

income he earns, the more he advances universal benevolence.

One might regard his line of work as his calling or vocation.

Here I have suggested some things for the utility function—such as coherence, purpose, and duty—that economists do not often discuss. Now let's consider another facet of Max U, namely, maximization. Maximization presupposes a maximand, which presupposes not only the arguments over which to maximize, but a functional form. All that Max U needs to do is to adjust the values of the variables he controls to achieve an optimum. The logic of his choice takes place within a singular, fixed interpretation of his alternatives and their consequences. The logic precludes consideration of certain facets of human action:

- Kenneth Burke (1932, 215) said: “If decision were a choice between alternatives, decisions would come easy. Decision is the selection and formulation of alternatives.” If the tight logic of choice is represented by Max U, what would represent a loose logic of decisionmaking?
- Decision doesn't always come easy because the formulation of alternatives entails interpretation, and the universe of interpretations is open-ended. A valuable interpretation is one that holds out opportunity. Clinging to your faith in self-coherence, you wish to believe that you've seen the most valuable interpretation among those that are obvious. Once you realize that you've overlooked an obvious opportunity, that you've erred, you kick yourself. (Kicking yourself is one of those rules you had better maintain.) Then you feel regret and, if you can, you correct yourself. Regret would seem to be essential to learning and economic growth. But it is not treated much by economists; it is doubtful that Max U ever feels regret. A logic of decision-making would entail moral sentiments.
- Besides the missing of an obvious opportunity, there is the beholding of non-obvious opportunity, the spark of entrepreneurship, the epiphany. This, too, is important to economics. Often have critics complained about the slight place given to entrepreneurship in economics.
- Notions of entrepreneurial discovery and its inverse, error, entail a multiplicity of interpretations. But economics sometimes seems blind to interpretation. In economics, knowledge is flattened down to information. Economists speak of asymmetric information, but that obtains within a single, fixed interpretation, within a tacit assumption of symmetric interpretation. Economists rarely

speak of asymmetric interpretation. Nor do they speak much of judgment, that is, deciding which interpretation to act on.

- The human being is continually reinterpreting herself and the world. Kierkegaard (1989/1849, 43) said: “The self is a relation that relates to itself.” What if the most essential feature of the human being is that there is no getting to an upper-most optimization problem? If that is the case, then Max U not only fails to help us address the most essential feature of the human being, it may also inculcate wrongheaded notions of the human being.

Thus, according to my own lights, are some of Max U’s limitations and inadequacies, even jeopardies. If some of them ring true, it should be obvious that people of faith in theistic religions will often interpret the matters in religious terms. For them, the impartial, benevolent, super-knowledgeable, universal spectator is God. For them, man is a soul reflecting his Creator (*imago dei*). A religious commentator might also point out that, as is seen in the term for one who translates spoken language, an *interpreter*, the term *interpretation* derives from the Latin *interpres*, meaning agent or translator, and thus that when we interpret the world or some little corner of it we translate, however poorly, the will or meaning of Someone’s expression. That expression, it might be said, is better grasped when we transcend one interpretation to arrive at a better interpretation—the entrepreneur as exegete.

## A buffet of questions for contributors to consider

The main question has already been posed: Does economic thinking need enrichment from religious or quasi-religious thinking? The main subsidiary questions, too, have also been posed. Here I pose some follow-on questions, some of which repeat or rephrase questions already posed above. Contributors are invited to respond to whichever questions they wish, in whatever manner—not neglecting, even focusing on, the questions as posed in the text above.

Also, we have encouraged contributors to view the symposium as the reader’s opportunity to learn about their works related to the present themes. We have encouraged contributors to give the reader a guide to such writings. We have told contributors: Don’t be bashful; please, cite a half dozen of your own works.

1. Can you tell us about your own religious background and biography? What is your own religious outlook?

2. What does your faith bring to your economic thinking that is otherwise lacking in, or even precluded by, mainstream economics? Are such faith-based elements suggested by your faith in particular, or are they suggested by religious faith generally?
3. If you see certain vital concepts that are inspired by your faith and that deserve more place in economics: Do those concepts necessarily entail religious faith? Does appreciating them depend on believing in God? Or can they be developed, taught, and sustained as a worthy allegory or by some other approach?
4. Does your faith inform the kinds of questions you choose to research? (If so, please give examples.)
5. Do you use religious sources, such as the Bible, as a resource for economic understanding, instruction, or research? For example, for gaining economic insights, for illustrating economic ideas, or for evaluating economic ideas?
6. Do you feel that the economics profession exhibits biases against religion generally or against your faith in particular? Has your career as an economist suffered in any way on account of your religious faith?
7. Why are very few prominent economists openly religious? Is it because prominent economists who are religious have chosen to be reticent about their faith, or because there simply are few prominent economists who are religious? If you think either or both reasons are true, why are they true? Why is it so?
8. What is your take, as a person of faith, on Max U?
9. What is your interpretation of Adam Smith's invisible-hand clause in *The Wealth of Nations*?<sup>6</sup> Is it just a metaphor or is it a reference to divine providence, with God as the being whose hand is invisible?

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6. The clause is: "...and by directing that industry in such a manner as its produce may be of the greatest value, he intends only his own gain, and he is in this, as in many other cases, led by an invisible hand to promote an end which was no part of his intention" (Smith 1976/1776, 456).

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