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## **Philosophy and Religion: From Delos to Adam Smith**

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*The Human Person in Economic Theory from the Scholastics, to Smith and Marx*  
John Larrivee, Mount St. Mary's University

*Gods of Trust: Ancient Delos and the Modern Economics of Religion*  
Dan-el Padilla Peralta, Stanford University

*How We Forgot What Adam Smith Said about Religion*  
Robert I. Mochrie, Heriot-Watt University

**1** • Nearly two centuries ago, the existentialist philosopher Søren Kierkegaard argued, in effect, that *everything* framing our perception of the world and guiding our responses to it ultimately reduces to religion.

- One tendency nowadays is to see religion reducing to rational, economic behavior. A parallel tendency is to see morality, spirituality, faith, and religious practices through the lens of natural sciences, like sociobiology, evolutionary psychology, and cognitive neuroscience. By this light, economics principles appear to be just one aspect of a much greater unity of truth.

- And so modern scholarship raises the question of whether the magisterium of revealed morality and religion is in conflict, not only with Gary Becker's "frigid calculus of economics,"<sup>1</sup> but also with tenets of science and naturalistic philosophy. And if so, then what is to be done.

**2** • John Larrivee's paper gives an historical account of "The Human Person in Economic Theory from the Scholastics, to Adam Smith and Karl Marx," and even a bit beyond.

- The paper argues that the economic theories of Smith and Marx connected their private philosophical visions of humanity to the problems of civil society during different stages of industrial development.

- The paper characterizes both visions as being inherently spiritual, and also opposed to the notion that humanity operates by economic calculation alone.

- The paper also implies that Christian moral beliefs and values harmonize the necessary tradeoffs between distributional ideals on one hand, and the cold, hard reason of resource-constrained, capitalistic production on the other hand.
- Capitalism, communism, and morality are depicted as competing religious visions – communism and morality being grounded overtly on revelations concerning humanity’s rightful needs,<sup>2</sup> while capitalism is grounded implicitly on differently-revealed beliefs and values that often are anathema to those needs.<sup>3</sup>
- The contrasting intellectual traditions at play here ultimately agree, albeit for intrinsically different reasons, that the human person is inherently *perfectible*.
- This claim also arises in naturalistic philosophy, and it’s here that the underlying conflict appears in sharpest focus.
  - The evolutionist Richard Dawkins argues heroically – and also in terms that appeal equally to Marxists and moralists – that the “capacity for genuine, disinterested, true altruism ... [is] yet another unique quality of man,” and also that mankind must “rebel against the tyranny of ... [its] selfish [biological] replicators.”<sup>4</sup>
  - Mankind is remarkably adaptable, but it can’t change its inherent spots, as Dawkins’ dictum implies.
  - When the biologist and authority on social insects, E.O. Wilson, was asked about the merits of communism and socialism, he replied simply: “Wonderful theory. Wrong species.”<sup>5</sup>
    - This insight highlights not only the fundamental error of Dawkins’ and Marx’s specific visions, but also the intrinsic methodological shortcoming of all social theories that are grounded arbitrarily on revealed beliefs and values.
    - Wilson’s comment capsulizes the reason why communism failed, why capitalism persists, and why humanity’s moral values differ from time to time, and also from place to place.
- And so the guiding principle when considering revealed beliefs and values must be to accept humanity as it is rather than overlaying intrinsically normative corrective measures with the noble objective of bringing mankind up to spec. The results won’t be judged ideal, but history suggests they will be less awful on balance than those produced by visionary remedial measures.

3 • Moving on, Robert Mochrie claims that by focusing on Adam Smith, the *economist*, we have forgotten – or at least tend now to overlook – much of what Adam Smith, the moral and social *philosopher*, had to say about religion.

- The story here is that Scotland's dominant church was an important component of that country's social structure in the 18<sup>th</sup> century.
  - The church was unique because it provided a variety of non-spiritual public goods, thereby creating a *de facto* informal partnership between church and state.
  - Consequently, Smith and other elite contemporary thinkers, including David Hume, believed that the potential for robust competition among religious sects required careful regulation in order to prevent creative destruction from upsetting established traditions, and also to constrain the dominant church's ability to create social and political mischief.
  - It's unfortunate in this regard that neither Smith nor Hume lived long enough to read Tocqueville's glowing account of robust religious competition in post-colonial America (*Democracy in America*, 1835 and 1840), where there was no comparable tradition of church-provided public goods to be conserved.
- Although we may have forgotten much of what Smith had to say about religion, all Americans, and we Virginians in particular, live with the totality of Smith's economic and philosophical insights, which were channeled through the writings of James Madison, who was steeped in Scottish Enlightenment thinking at the colonial College of New Jersey, now Princeton University.
- Madison's discussion in *The Federalist No. 10* concerning the potential danger posed by powerful religious factions, and also his legislative polemic, *A Memorial and Remonstrance* (1785), which addressed the evils of public funding for religious beliefs and practices, reflected Smith's views. Thus, through Madison, Smith's insights contributed significantly to America's First Amendment constitutional guarantee of religious liberty and unfettered religious competition.
- Madison's later view of religious rights as property rights might have been influenced by Smith as well, although here the influences of Locke and Blackstone are more conspicuous.<sup>6</sup>

4 • Finally, and on a completely different note, Dan-el Padilla Peralta's paper considers whether the ancient construction of large-scale religious artifacts could have influenced commercial culture and economic growth on the Greek island of Delos.

- Prosperity there evidently coincided not only with incremental investments in commercial and residential facilities, but also with the construction, by private merchant associations, of shrines and other religious artifacts.
- The historical record apparently contains no clues regarding the commercial purpose these structures were intended to serve, or why such investments might have been thought to promote economic prosperity, or why their construction was financed privately – was this a form of taxation, or *noblesse oblige*, or was it something else entirely.
- The paper addresses these issues with an explanatory theory derived from principles of “social capital,” “cooperative ecology,” and “ecological signaling.”
  - The argument, in brief, is that the public presence of religious artifacts “primed” individuals for prosocial behavior and norm compliance, which in turn facilitated local economic activity and foreign trade.
  - The paper duly cautions that “social capital” theory often is criticized as being too nebulous to constitute a theory of anything, and also that “dynamic ecological theory” is essentially untested, although “cooperation” and “signaling” alone are accepted analytical concepts.
- The paper’s argument nevertheless is tangent in part to conventional economics thinking.
  - In addition to advertising local businesses and brands, in the way named sports venues do today, ancient commercial investments in religious artifacts could have been intended to signal a long-term commitment to mutually-beneficial commercial dealing, in essentially the same way that imposing granite bank buildings were designed to signal permanence and trustworthiness during more recent times.
  - By this light, the sunk – or essentially frivolous – portion of these investments would have been forfeit if local merchants subsequently damaged commercial relations by behaving badly. Consequently, these investments would have signaled a *pre-commitment* to fair dealing by the groups that financed them.
  - But by the same token, any conspicuously costly, sunk investment, including those made in purely functional commercial facilities, would have sent precisely the same signal. And disentangling any incremental contribution made by private investments in public religious artifacts surely is impossible at this juncture.
  - However, history evidently shows these *static* investments becoming focal points for religious celebrations, which, as the paper suggests, could indicate the workings of a separate and spontaneous, *dynamic* process for signaling social cooperation and trust.

- This coincidentally is a point I'll consider at some length tomorrow afternoon, in a presentation exploring the naturalistic theory of mankind's inherent moral, religious, and economic nature.

### End Notes and References

1. Gary Becker, *The Economic Approach to Human Behavior* (Chicago: University of Chicago Press, 1976), p. 4.
2. Joseph Schumpeter argued that a religion, whether theological or political, is “first, a system of ultimate ends that embody the meaning of life and are absolute standards by which to judge events and actions; and, secondly, a guide to those ends which implies a plan of salvation and [indicates] the evil from which mankind, or a chosen section of mankind, is to be saved. ... [It] belongs to that subgroup [of ‘isms’] which promises paradise this side of the grave.” Joseph Schumpeter, *Capitalism, Socialism, and Democracy* (New York: Harper and Brothers, 1942), p. 5.
3. See Robert Nelson, *Reaching for Heaven on Earth: The Theological Meaning of Economics* (Lanham, Maryland: Littlefield Adams Quality Paperbacks, 1991); *Economics as Religion: From Samuelson to Chicago and Beyond* (University Park: The Pennsylvania State University Press, 2001); *The New Holy Wars: Economic Religion vs. Environmental Religion* (The Pennsylvania State University Press, 2010); “Economics and Environmentalism: Belief Systems at Odds,” *The Independent Review* 17(1), 2012: 5–17, available on line at [http://www.independent.org/pdf/tir/tir\\_17\\_01\\_01\\_nelson.pdf](http://www.independent.org/pdf/tir/tir_17_01_01_nelson.pdf); “Rethinking Church and State: The Case of Environmental Religion,” *Pace Environmental Law Review* 29(1), 2011, available on line at <http://digitalcommons.pace.edu/pelr/vol29/iss1/4>.
4. Richard Dawkins, *The Selfish Gene*, new ed. (New York: Oxford University Press, [1976] 1989), pp. 3, 200–201.
5. Quoted in Steven Pinker, *The Blank Slate: The Modern Denial of Human Nature* (New York: Viking, 2002), p. 296.
6. Madison viewed all human rights as property rights, which “... embraces every thing to which a man may attach a value and have a right; and which leaves to every one else the like advantage. [It includes] ... a man’s land, or merchandize [*sic*], or money ... [as well as] ... his opinions and the free communication of them. He has a property of peculiar value in his religious opinions, and in the profession and practice dictated by them.” James Madison, “Property,” in *The Writings of James Madison*, G. Hunt, ed., vol.6 (New York: Putnam, [1792] 1906), p. 101. Madison’s view of religious liberty was grounded in part on Locke’s view equating property with an individual’s ownership of things and of self (the “*suum*”), and also on the meaning of religious liberty expressed in Locke’s *Letters on Toleration*. See James A. Montanye, “Property Rights and the Limits of Religious Liberty,” *The Independent Review* 16 (1), 2011: 27–52, available online at [www.independent.org/publications/tir/article.asp?a=837](http://www.independent.org/publications/tir/article.asp?a=837).