



Notes of an Atheist on Economics and Religion

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[LINK TO ABSTRACT](#)

I am not a religious person. Indeed in many ways I am deeply anti-religious, at least in terms of much extant religious practice. Yet I do recognize that the dimensions of ethics, the world of the spirit and the need for some broader understanding of one's self and place and role in society and in the universe are both essential and at the same time massively ignored or trivialized by mainstream economics.

It is no secret today that mainstream economics is sadly deficient in many respects, and therefore it provides an inadequate and even misleading analytical framework with which to interpret economic processes and events. The underlying cause of many of its deficiencies may lie not only in various unrealistic assumptions, but in the very philosophical underpinnings of its theoretical framework. Specifically, the analysis is ultimately constrained by a problematic use of methodological individualism and the rather sterile notion of 'rational economic man.'

As is well known, the central assumption of 'invisible hand' models is that self-interest conduces to socially optimal outcomes. As Karl Marx succinctly put it with reference to economic actors, "The only force that brings them together and puts them in relation with each other, is the selfishness, the gain and the private interests of each. Each looks to himself only, and no one troubles himself about the rest, and just because they do so, do they all, in accordance with the pre-established harmony of things, or under the auspices of an all-shrewd providence,

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work together to their mutual advantage, for the common weal and in the interest of all” (1887/1867, 155).

It is relatively easy to criticize mainstream neoclassical economics on these counts, and such critiques have indeed been very effectively propounded (Sen 1977; Hollis and Nell 2007; Meeks 1991; O’Donnell 1989). Clearly, as noted also in the editor’s Prologue to the present symposium (Klein 2014), this simplistic approach to economics flattens a vast amount of human experience, motivation, and discourse to the point of making it all nearly unrecognizable. Indeed, Joan Robinson (1962, 10) had argued that there is a biological necessity for morality to enable the species to survive, such that “the pursuit of self-interest is mitigated by respect and compassion for others,” which are determined by a person’s moral sense or conscience. There are many activities that are explicitly or implicitly economic in nature—much of the unpaid work involved in caring for others like the young, the old and the sick; or activities typically described as “charity;” or devoting time, energy and resources to develop systems of social sharing; or the deep engagement with a discipline involved in personal creative arts like music—that cannot be aptly understood through puerile notions of utility maximization, but must in some way incorporate the realms of the spirit, of duty, conscience, and morality. Appreciation of such realms points to a major disconnect between the mainstream discipline’s perception of the behaviour of economic agents and the lived experience and interaction of people in societies.

But there is indeed a further danger: pervasive expectations that self-interest and monetary gain will dominate human behavior may ultimately become self-fulfilling, straitjacketing people into the rigid constraints set by notions of exchange and the utilities to be derived from sale and purchase. As Michael Sandel (2012) has noted, the expansion of markets and market values into spheres where they do not belong has effects that include more inequality and more corruption, but also, more fundamentally, it may alter basic concepts of human satisfaction, achievement, and pleasure. As market economies become market societies, then, they also undermine and diminish much that is valuable about human existence, creativity, and solidarity, thereby creating both a society and politics that are devoid of moral and ethical content. Such developments in turn make society much more unpleasant and possibly unviable to live in and through, even for the supposed beneficiaries of the system.

The point, of course—as Marx (1888) famously put it—is not just to interpret the world, but to change it. Indeed, that is really what the economics of planning and policy is all about. And the desire for change necessarily requires some moral and ethical perspectives; it requires a framework that can even be described at some level as spiritual. Those who see themselves as positivist economists still cannot escape the element of the normative, of some notion of what is desirable or

valuable, even if only in determining the nature of the questions they ask, the areas that they seek to study, and the audiences they choose to address.

G. L. S. Shackle was an economist in the neoclassical tradition (and a student of the classical liberal economist F. A. Hayek) who nevertheless pointed out the limits to rationality and the importance of “unknowing.” To the question “what should economists do?,” Shackle’s thoughtful response was:

I think they should give up giving advice, except on the most hesitant, the most broad grounds. I think they should introduce an ethical element, a more than ethical element. If a man is asked whether public expenditure should be cut or not, he perhaps should say, “Well, if we cut it, we shall cause a great deal of misery; if we don’t cut it, we don’t know what the consequences will be, but we can’t at least have this misery on our consciences.” This sort of argument is not an economic argument, it’s an argument with one’s conscience. (Shackle 1983, 7).

Shackle’s argument suggests another dimension in the way that economists interpret reality as well as provide policy advice. Instead of the currently conventional practice, whereby policies and processes are supposedly judged by ‘value-free’ technocratic analysts according to some abstract social welfare function, it argues for an explicitly normative and ethical approach in which certain outcomes are clearly seen as desirable or undesirable. It is easy to see how underlying morality relates directly to the important economic controversies of our times: on whether and how to reduce inequalities of wealth and income; on how crucial it is to make the elimination of unemployment the major policy priority; on the significance of ensuring food security to everyone on the planet; on the necessity to have greater regulation of financial markets to prevent not just market failures but ‘unjust’ outcomes of financial volatility. Yet the absence of overt ‘values’ in most mainstream economic analysis persists, and most economists constantly proclaim their freedom from value judgements even when pronouncing on these crucial issues.

So perhaps that is the sense in which spirituality, or even religion, can and does contribute to economics. Spirituality can enlarge the range of human experience to incorporate angles and determinants of behaviour that are excluded by standard positivist economics based on methodological individualism. And it can provide the underpinnings of conscience and sympathy in both analysis and policy advice. Surely we would all be the richer for this—with riches not just quantified in material terms, but in the wealth of a broader humanity.

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