The Economics of Religious Belief

by

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An economic theory of knowledge makes sense of much of the phenomenon of religious belief as merely a form of knowledge. Such a theory must, in general, address the incentives for and costs of coming to discover some bit of knowledge and with the happenstance availability of relevant knowledge in moments of decision. But it must also address the causing and maintaining of belief, especially the way incentives actually bring one to come to believe some range of knowledge, not merely the incentives for coming across the content of that knowledge. (JEL: Z1)

1. Introduction

What we need foremost to understand religious commitment is an adequate theory of belief—a theory of knowledge or epistemology. One might suppose that, whatever it is, a theory of knowledge must be generally applicable to all knowledge. Hence, the explanation of religious belief is merely a part of the explanation of beliefs more generally, although it might exhibit special characteristics, in part because of differing incentives on offer from the larger society of the believer. An ordinary person’s knowledge must depend in general on the costs and benefits of discovering bits of it and of putting it to use. Once discovered, however, a bit of knowledge, x, will be counted as true to the extent it comes from a credible authority, it fits coherently with other beliefs, it corresponds with the world, or it once met one of these conditions. One’s belief in the truth of x might also depend on the rewards of counting it as true. In what

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1 It is also plausible that we count something as knowledge by a mistake of cataloging. For example, I overhear a claim by a stranger on the subway and I then forget the source and merely count the claim as true by authoritative assertion.

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follows, I wish especially to address this last possibility as applied to religious beliefs.

One possible response to the epistemology of religious belief is that of believers who often seem to suppose that there is a causal connection between the truth of their beliefs and the fact that they believe what they do. They suppose that they are compelled to believe by something about the content of the belief. This supposition runs against two difficult facts. A standard causal analysis would start from correlation of the phenomenon to be explained with various plausible causes. In the case of religious beliefs there are two striking correlations. First, there are numerous mutually contradictory sets of religious beliefs, so that the content of religious belief does not correlate with the fact of belief. Second, the content of individuals' religious beliefs correlates very strongly with the beliefs of their communities. In sum, the fact of belief does not correlate with the content of belief but does correlate with accidental factors in the believers' social context. Moreover, these correlations are radically stronger than the bulk of correlations taken seriously in the social sciences. Oddly, these correlations are common knowledge even among religious believers, who often consider them to be a problem.

2. An Economic Theory of Knowledge

In the standard philosophy of knowledge or epistemology knowledge is "justified true belief." Often, what is meant by justified is something well beyond what any individual is in a position to know or do. It is specific pieces of knowledge whose belief is justified. The reason for this way of conceiving the problem of knowledge is that philosophers have primarily been concerned with understanding and evaluating knowledge as in the content of a science – especially, of course, the content of physics. The philosophical theory of knowledge applies to the objects of belief, not to the believers. It is typically about the criteria for counting something as knowledge. These criteria can be about the objects themselves or about the procedures followed in assessing the objects. On this kind of theory, religious belief or knowledge is highly problematic. One could not give the criteria that make such belief justified to count as knowledge. Or, if one proposed criteria, they would almost surely be different from the criteria for other knowledge.

Philosophical epistemology is largely about a kind of public, not personal knowledge. What must interest a social scientist who wishes to explain behavior is the knowledge or beliefs of actual people. An economic theory of knowledge would address this question. Such a theory would not focus on the objects of belief but on the ways people come to hold their beliefs. By an economic theory, I mean merely a theory that focuses on the costs and benefits of having and coming to have knowledge or to correct what knowledge one has. An economic theory of knowledge would be grounded in three quite distinct facts that matter to anyone whose knowledge we wish to explain.

First, knowledge has value as a resource and is therefore an economic good; hence, people will seek it. Sometimes we seek it at a very general level, as when we get a general education. In this case, we may have little idea of how we are ever going to use the knowledge and we may not know in advance much about the range of the knowledge we will acquire. Sometimes we seek it for a very specific matter, as when we seek mortgage rates when buying a home. In this case, we know exactly what we want the knowledge for and we know reasonably well where to get it and when we have enough of it.

Second, its acquisition often entails costs, so that the value of knowledge trades off against the values of other things, such as resources, time, and consumptions. Moreover, these costs are often very high. For example, the costs of gaining enough information to judge political candidates in an election are thought commonly to be far too high for most voters in the United States to be able to justify the expenditure, especially given that they have little to gain from voting anyway. Instead, they vote on the strength of relatively vague signals about issues they do not adequately comprehend.

And third, a lot of our knowledge, which we may call "happenstance knowledge," is in various ways fortuitously available when we use it. Some knowledge comes to us more or less as a by-product of activities undertaken for purposes other than acquiring the knowledge, so that in a meaningful sense we gain that knowledge without investing in it – we do not trade off other opportunities for the sake of that knowledge. For example, you know a language because you grew up in human society. Much of what is loosely called social capital is such by-product knowledge. By-product knowledge may simply be available to us essentially without cost when we face choices. Some knowledge may even come to us as virtually a consumption good. For example, your love of gossip may lead to knowledge that is quite valuable to you. Finally, the knowledge in which I deliberately invested yesterday for making a specific choice then may still be available to me today when I face some other choice to which it might be relevant. Religious belief is very much a matter of happenstance knowledge (as is almost everything we know at any given moment).

3. Knowledge by Authority

Because of the high costs of acquiring all knowledge on our own, we typically rely on authority for most of the knowledge we actually have (HARDIN [1992]). We could all say, with WITTGENSTEIN [1969, 44], "My life consists in my being content to accept many things" – indeed, most things that matter. I rely on the authoritative knowledge of many people. Notoriously, most of us rely on the authoritative knowledge of professionals such as doctors, lawyers, and many others. But we all essentially rely on the authority of various historians for the
bulk of what we claim to know about the world’s past history and we rely on the authority of numerous writers and people in the media for the knowledge we claim to have about our own contemporary world. In all substantial areas of our lives, we necessarily accept much of what we know from authorities of various kinds, some of them quite reliable, some of them not.

A very large part of our knowledge, which at this moment is essentially happenstance knowledge, is the residue of past acceptances of authoritative assertions. Yet, at the moment when we invoke any of that knowledge now, we may no longer even remember much about its acquisition, so that we may be in no position to question it by first questioning its authoritative source. As of now, I just do know that Caesar was a Roman. I cannot say how I first came to know this fact, although I can tell you of books that I read, mostly long ago, that discussed Caesar and his life and that, in a sense, reinforced or confirmed my knowledge of him as a Roman.

The nature of religious belief for very many people is that the beliefs were taken on authority at a very young age. Suppose I have grown up as a believer in some religion. I may now simply never question the early authorities, not least because I may never even suppose my belief was grounded in authority, may not even know or intuit why I have my belief, but may only suppose I have it on the unquestionable authority of its truth. I might question the belief or aspects of it under some circumstances. For example, suppose I have a fundamentalist Christian belief that those who believe go to heaven and those who do not are damned to eternal suffering in hell. Now a friend asks me about my beloved and wonderfully generous aunt, who regularly asserts the silliness of this belief and who shyly comments on the hypocrisy of most of those who profess it. That aunt, my friend notes quizzically, must be doomed to burn in hell. Suppose I simply find such brutal and incomprehensible “punishment” for mere lack of belief to be utterly incongruous, indeed, misfit with the loving god of my religious belief.

I now look again at my pastor’s favorite Biblical passage, John 3:16 and the following verses. It says my aunt is condemned from lack of belief. Now I wonder where hell comes in, especially because, to listen to my pastor, hell seems to be the most important element in our system of belief. Hell and its grotesque misery are not there. My belief may have begun to unravel because now I am trying to understand it and am not accepting it without question. I put my beliefs to the test of a common sense version of a coherentist theory of knowledge. Because the whole package of beliefs is supposed to be about something good and decent, part of the coherentist test is of the inherent decency of their implications. For example, I may not be able to see how the golden rule could be part of a coherent system that includes sending my aunt to roast in hell for all eternity.

Even if I revise my core beliefs, I may have great trouble revising all of the bits of understanding in my mind that were influenced by my prior beliefs and my upbringing in them, so that I may still have strong ties to my earlier beliefs.

For example, I may continue to have a strong commitment to the golden rule of doing unto others what I would have them do unto me. But I may never again accept on dead authority the core of my previous beliefs. Indeed, I may even come to view many of the commitments I still have as deeply contrary to those that I now question.

Anthony F. C. Wallace supposed that, in the spirit of the Enlightenment, religion must die in the face of superior knowledge from the sciences (STARK, IANNACONE and FINKE [1996, 434]). He supposed that the scientific spirit of questioning knowledge would finally undercut religious beliefs that are founded essentially in authority. In all likelihood, his argument is correct, but only at the level of a particular individual. Wallace and others have assumed that the argument would spread to cover the entire society. But deep knowledge of the sciences is relatively restricted to a small part of the population and even for those few it is restricted to certain areas of inquiry. The scientists who are most likely to find difficulties with any specific religious belief whose authority they are, because of their own science, qualified to judge are those who study the relationship between specific beliefs and specific societies. That is to say, as STARK, IANNACONE and FINKE [1996, 436] report, anthropologists might be especially inclined to wonder what religious knowledge is and how it can be credited, and sociologists might follow soon after them in disbelief. Students of religion in these disciplines actually come to be in the position of the standard philosophy of knowledge: They wonder what are the criteria for a specific belief to be counted as true. More generally, those who adopt the scientific spirit most assiduously might eventually come to contest authority in all contexts and might come to wonder how they could possibly believe the content of any religion.

Against the general thesis that religion must fail in the age of science, many contemporary sociologists argue that as one denomination liberalizes, new, more rigorous sects may arise (STARK and BAINBRIDGE [1985]; MONTGOMERY [1996a]). In these accounts, liberalization results from the increasing prosperity and education of the original church’s members, who chafe under its originally strict regime. A new, fundamentalist sect arises not from exclusion of its members from the former church but by cloning or separation as they seek to maintain strictness. This motor is plausibly in keeping with Wallace’s essentially epistemological claim. James Montgomery’s full model is based on HIRSCHMAN’S [1970] scheme of exit, voice, and loyalty. Prosperous members of a fundamentalist church exercise voice to reduce its rigor while less prosperous members exit to form a new sect. The eventually prosperous children of fundamentalists may act from loyalty to remain in the church of their parents long after their own personal views have become less strict.

(In Montgomery’s account, exit is from the bottom of the hierarchy of prosperity, although there must commonly be exit from the top of that hierarchy as well. For example, politically liberal religious believers left Southern Baptist congregations during the virulently racist days of the Civil Rights
Movement when many Southern Baptist church leaders seemed more concerned with segregation than with religion. Montgomery's story is built from the histories of such churches as the Congregationalist, Unitarian, northern Baptist, and Quaker churches, all of which moved from being fundamentalist to being very liberal – in some cases virtually to the point of dispensing with belief in a god engaged in human affairs. The histories of these churches fit Montgomery's general model very well.

4. Incentive to Believe or Count as True

Suppose that expressing view \( x \) is rewarded with approval and, hence, it brings pleasure. Knowledge is commonly reinforced or tested by consequences. If being rewarded is a consequence of expressing \( x \), which is easier if I believe \( x \), might I therefore come to believe \( x \)? Prima facie, this seems to be an odd question. The question here is not about the incentive to discover \( x \) but actually to believe it is true. We do not generally decide to believe that, say, \( x \) is true. Belief or recognition of truth happens to us through the persuasiveness of the content or source. I might dearly wish to believe I lived in Bellagio several months every year or that everyone's life were idyllic, but it is impossible for me to believe those things. In some sense, I even have incentive to believe that everyone's life is idyllic because that belief would spare me various moral and political burdens. But, again, I cannot possibly believe such a thing.

Yet, anthropologists have long argued that beliefs are caused by their effects. Their argument is functional. Belief or pattern of activity \( x \) is explained by its function \( F \) for group \( G \) if and only if (1) \( F \) is an effect of \( x \); (2) \( F \) is beneficial for \( G \); and (3) \( F \) maintains \( x \) by a causal feedback loop passing through \( G \). This result need not be intended and, indeed, it would often not even be perceived or understood by the members of \( G \). Perhaps the best known such functional explanation is that of seemingly implausible religious beliefs, such as that the odd ritual of the raindance works to build solidarity in the community, thereby giving it greater capacity for survival and flourishing, thereby intensifying belief in the community's religion. This structure of explanation works for many behaviors or beliefs (HARDIN [1980], [1995, ch. 4]; but see ELSTER [1979, 28–35]). For example, one might be convinced that doing some ritual before working would bring luck that would lead to much greater productivity and success in one's efforts. This might give one great confidence in setting out to work or might simply get one quickly past the moment of starting up every day so that one would actually be more productive, and this result might reinforce one belief in the ritual of bringing good luck.

While religious beliefs may indeed be reinforced in this indirect functional way through their more or less beneficial effects on the believer, including the effects of producing pleasurable camaraderie or solace, I wish to argue that they can also be produced in a somewhat more direct way that might even be consciously intended. The argument is a causal argument that turns on the economics of knowledge and the longer-run coherence of a dynamic system of ideas or knowledge, all, again, at the level of the individual rather than at the level of the philosopher's quasi public knowledge. This can happen through adaptive knowledge or belief revision, which can be reinforced by individual reliance on the division of labor that passes the task of assessing some knowledge to supposed specialists.

5. Adaptive Knowledge Revision

Consider some well rehearsed claims about the apparent benefits of religious belief. It is commonly, but cavalierly said that someone believes in a particular religion because she gets comfort from her church or synagogue or mosque. One might even go so far as to say that she believes because she gets comfort from her beliefs, such as the belief that her dull, perhaps painful life will be followed by a glorious afterlife. This might be an implication of Marx's remark that religion is the opiate of the masses who, sedated by belief in the afterlife, fail to overthrow those who exploit them on earth. This might be an anti-functional or dysfunctional explanation that might be as powerful as most functional explanations: a minor quotidian interest trumps a major life interest through its functional reinforcement.

If we unpack such claims, we come up against a problematic core. True, one might join a religious group for the social comforts it offers its members. But one can get such comforts even without believing. If I have incentive to appear to believe, I may readily be able to feign belief along with the hypocrites my aunt scorns. But if my incentive is actually to believe, as in Marx's remark, I may still not be able to believe. In the anthropologists' functional explanations the subjects need not face a problem of virtually choosing to believe in order to benefit. Nor might they face a problem of the incoherence and prima facie implausibility of their beliefs (although the anthropologist might wonder about how belief survives contrary data on the causal effectiveness of, say, raindancing).

In an initial psychological account of believing what one has incentive to believe – believing for profit – we might suppose such a result is an instance of adaptive belief formation. Just what the psychological mechanism or motor of such adaptation could be is unclear, although one might simply assert that there must, on the evidence, be such a motor. The form of the adaptation would be roughly analogous to that of sour grapes. In Aesop's fable, the fox, who cannot reach the grapes he desires, comes to suppose that the grapes are not desirable after all. In this fable, it is preferences that adapt to the range of possibility. Of course, the reaction of sour grapes is merely a possibility for one in the position of the fox. One might crave something unobtainable to such an extent as to pine over or resent its unavailability or even commit suicide over it. Indeed, such a
reaction might be more common for major preferences than is the reaction of declaring sour grapes. For example, it seems likely that there are more people who ardently wish they had more wealth than there are people who have adjusted to their poverty through valuing wealth as really sour rather than sweet, as an obstacle to good life rather than an enabler of it.

Our problem, however, is not revision of preferences in response to some kind of incentive but change of beliefs. Can there be adaptive knowledge revision? Plausibly there can. I will propose one way in which such revision might make sense epistemologically even without a special psychological motor such as, say, reduction of cognitive dissonance. Suppose I am in a community of people who believe x and who generally support those who seem to believe x and to shun those who do not. I might see it as in my interest now to profess belief x even though I do not actually believe it. I thereby enjoy the camaraderie of my group.

Now, as a result of my participation in the life of the group, I hear many things that actually support the belief that I merely pretend to have. After some—perhaps long—time, I may begin to have difficulty separating various things I seemly know from the belief x, which begins to be reinforced by this growing body of related knowledge. Eventually it may even happen that the best way to make sense of a wide array of related things is actually to believe x and I may therefore come to believe it as an almost necessary or deductively entailed part of this coherent larger body of beliefs. It follows then that I am led to my belief in x by the incentive for having it, or at least for credibly professing it. I do not directly believe merely because it is in my interest to do so, but I do other things that are in my interest and in doing these things I come to believe. The belief may be an unintended consequence.

Indeed, my change in belief might even happen as an intended consequence, as in Pascal's wager. Pascal supposed that one might be quite unconvinced of the truth of Christian doctrine but that one might think it at least possibly true. That doctrine is that one goes to heaven if one is a true believer and practitioners and to hell if not. If the doctrine is false, the greatest loss that one would suffer from leading a religious life is the loss of a few decades of perhaps greater pleasure. If the doctrine is true, the greatest loss one would suffer from not leading that life would be eternal suffering. Even the slightest chance that the doctrine is true therefore makes one's preferred choice the religious life at the relatively minor risk of briefly missing a bit of pleasure. Of course, that calculation need not convince one of the truth of the doctrine. But outwardly living the religious life might be sufficient in the long run to get one to believe the doctrine. Pierre Bourdieu argues that Pascal's wager is contrary to logic in supposing I could consciously trick myself into believing what I do not believe (BOURDIEU [1990, 48 f.]). But Pascal's device is not one of logical trickery. It is one of dynamic psychological change, as in the brief account above. Indeed, Pascal seems to have held a theory of knowledge roughly like that presented here.

Finally, note that beliefs may readily be grounded in the rewards of holding them in the case of children, who may naturally associate their own pleasure or benefit with the good. Praising a child's prayers, joining in her enjoyment of religious ceremonies that occasionally single her out for caring attention or praise, and otherwise rewarding her for her assertions of belief and for the consistency of her actions with her asserted belief may all directly reinforce her belief. For the child, there need be no feigning because reward to self and belief seem united. Even for the child, however, feigning may happen when there is pressure to assert a belief that is not credible. For example, in Le livre du mon ami, Anatole France's autobiographical ten-year-old hero is pressured to own up to his sins in the confessional, although in all innocence he cannot claim to have sinned. But, one must go to confession every Saturday and, without sin, there can be no confession. Eventually, he finds that a bit of creative lying about a pattern of sin of which he was not guilty saves him from the constant embarrassment of being without sin to confess (FRANCE [1885, ch. 8]).

6. Division of Labor and Individual Knowledge

The division of labor is commonly seen from the perspective of its value to the larger society: It reduces costs and increases production. In these functions, it works in at least three ways. One, it allows me to specialize in the use of my time so that I work more efficiently with, say, a single tool rather than by switching from one tool to another as I perform the many very different tasks in producing a particular kind of object. Two, it allows me to specialize in the development of my talents to do some one thing especially well. And, finally, it allows us collectively to select from us the one most capable of doing some difficult task: Maria Callas can be selected to sing, Michael Jordan to play basketball, and economists to study the division of labor and its implications.

But the division of labor has another great value for an individual: It reduces the investment that the individual must make in understanding the world. I can generally rely on specialists who have already mastered parts of that world at least as well as I could expect to do. Those specialists might often be wrong, but they might still, on average, be less wrong than I would be if I had to rely only on my own wisdom and experience. Just as I rely on others to produce cars that work, so also I rely on others more generally to produce knowledge that works.

How does the individual detect error on the part of knowledge specialists? Primarily by having it pointed out by others. I learn that the ignition system on my car is prone to catching fire not by experience, testing, or deliberate personal investment in finding out the fact, but by reading of the problem in the newspaper. De facto, I rely on someone who has invested in finding out the facts of the matter or in collating what many others have found out. Indeed, even if I had the experience of a fire in my car's ignition, I might still not know enough
to judge the cause of or the responsibility for it. Such knowledge can come only from a larger canvass of the problems of that car's design and experience. I am spared the need to invest very substantially to learn either the fact or the nature of the problem because I get the knowledge more or less by chance from a credible source. That source might be very different in qualifications and in the incentives it faces than the company that made the cars or than the individuals who own the cars; and that source might also be expected to have specialized in collecting the relevant knowledge. Competition in the production of knowledge is as valuable for productivity as competition in the production of goods is.

If I am in a traditional or small society, the prospects of my gaining insight into errors in our knowledge may be substantially less. There may seldom be alternative sources of information beyond our collective social knowledge as it has been more or less received from the past. The apparent conservatism of such societies need not be a matter of psychological disposition but merely of lack of opportunity to learn on the cheap that their ways are not as effective as they might be. This may be especially true of our religious knowledge. One of the great advantages of large, plural societies is that they offer up criticism of practices and knowledge very much on the cheap. The mass of criticism might often be disconcerting but it is also very often enormously useful.

Appeal to authority is just a part of the division of labor for creation and judgement of knowledge. We benefit from having specialists to assess auto safety, weather, and the truth of various matters. It is only an extension of normal reasoning to let specialists assess religious matters and moral matters of right and wrong.

7. A Bayesian Model of Belief

An economic theory such as described here runs against some assumptions in standard economic accounts of information, such as much of Bayesian theory, as described by Montgomery [1996b]. For example, the assumption that two people have such identical information as necessarily to reach the same conclusions on many matters is so ridiculous at its extreme as to make any conclusions reached from it trivially irrelevant and uninteresting. Two identical twins who spend all their time together growing up and going to school and university will still not have identical information sets or identical abilities to interpret information. Yet the slight difference of your having a bit more background in the study of, say, physics or math or literature than I have can give you an understanding from some body of information that you could not teach me to see without great effort.

The common prior assumption (CPA) holds that all actors initially share the same beliefs over states of nature. At what point? In infancy? Or later, after a lot of learning, at, say, age three? The CPA lets Robert Aumann conclude that rational actors can never agree to disagree (Montgomery [1996b, 444]; Aumann [1976]). We cannot costlessly share all our information and theory. Hence, we cannot be sure to reconcile different bits of knowledge. Milton Friedman famously said that he and liberal economists did not disagree about the ends to be achieved, they only disagreed about how to achieve them. Are all economists then irrational actors?

In keeping with the Bayesian vision, Montgomery suggests associating religious preferences and behavior with the utilities and religious beliefs with the probabilities in an expected utility calculus. Utilities then might seem like tastes in being highly variable and not subject to dispute, while the beliefs would be subject to testing and must tend to come into line. An alternative that seems more plausible is to suppose that the utilities in question are in fact similar across people, while the beliefs are quite varied. In large parts, this is perhaps merely a personal projection: I would be surprised if people had widely different views of the value of the rewards from belief or penalties for non-belief, such as eternal salvation or damnation or other rewards or punishments. For understanding religion and its multiplicity, variations in knowledge or belief are far more important than variations in utilities. Some people believe things that I think are preposterous, and vice versa. This is the core explanatory and justificatory problem of religion.

8. Social Enforcement of Belief

It is a striking fact of religious commitment that people tend to have the commitments of their community, family, and friends. Moreover, people in a community in which some are religious may present themselves as religious or as committed to the local religious code on certain matters even though they do not genuinely share the local commitments. Why? Suppose I am a committed Muslim, Catholic, or fundamentalist Protestant, as are many of my community and suppose you conspicuously doubt our beliefs. According to many religions, it matters for afterlife or other rewards whether one has the beliefs or exhibits the behavior prescribed by the religion. But, since the truth of the beliefs is not readily demonstrable to one who does not share them, it may also be doubted by one's children or even, in a difficult moment, by oneself. Having people around who question the beliefs is therefore a risky matter if their views might persuade others. The community of believers will therefore have strong incentive to shun unbelievers and those who act against the tenets of their religion. Many religious groups have, in essence, a norm of exclusion against those who do not live up to the group's beliefs. Hence, they get no information from those who are excluded.

Suppose such a group dominates my community and that there is a strong norm of exclusion (Hardin [1995, ch. 4]). I now must, in my own interest, either share their beliefs or act as though I do. Or suppose that such a group did
dominate my community, say, a generation ago but that its adherents are now a diminishing number. Because we have so long practiced our norm of exclusion, it may not be clear to anyone who are the predominant types in our community: the formerly dominant believers or the increasingly numerous non-believers. Hence, we may all continue to abide by and to enforce the norm of exclusion against miscreants. To cite a pernicious example, we may be like the whites in the southern United States during the last days of Jim Crow laws that segregated blacks from whites. That is, we may go along with the norms of racial exclusion even though many of us do not share the racist beliefs. It is only when the occasion arises for us to act and to discover how many of us there are who would stand against racism that we finally escape the self-control that our now misplaced norm of exclusion exercises over us (Griffin [1976, 155]).

Why would I live up to a norm of exclusion that I did not actually approve? Life in the community is more comfortable when one is accepted rather than excluded from its various activities. If I were really the only person who disapproved the local racism, I might not have any choice but to go along with it or virtually to leave the white society. This fact might mean that, over time, the racist norm would tend to get reinforced by the departure of those who disapproved it, leaving behind those who were most comfortable where that norm prevailed. The result is a communal norm that comes into being and is maintained partly by indoctrination, partly by selection, and perhaps partly by feigning.

Under some circumstances, however, maintenance of the racist norm, for whatever reason, would tend to affect the beliefs of everyone in the community, making them more likely actually to share the racist beliefs. This would be especially true if there were an out-group in the society, as there typically is in the case of racism, which is directed at a racial out-group. It is the opportunity to express and act on the norm of exclusion that inculcates it and that gives opportunity for shunning that enforces it and makes it salient. A religious norm is similarly more likely to be enforced and to have strength in a context of contrary possibilities than in a context of general acceptance that provokes no enforcement. Hence, it is fundamentalist movements within relatively more liberal milieux that have very strong norms.

Causally, it is not the fact that fundamentalist religious views are more forceful than liberal religious views that matters for their intensity, but rather the fact that they are embattled against the liberal tendencies that gives the context for their intensity and force. It is virtually in the nature of more liberal views that they cannot generate norms of exclusion. There is a commonplace presumption that intensity of belief merits some consideration from others, especially in political contexts, for the supposed reason that such belief is more deeply held. The presumption is merely a pervasive consequence of the strategic generation of the norms of exclusion that make such belief so intense. The belief is intense because violation or neglect of it has severe personal consequences—not merely because it is inherently intense.

A common political claim for intense belief is that the state or the larger society of those who do not share the belief should give deference to it and to those who hold it. For example, the state should make special provisions to allow holders of the intense belief to reinforce the belief among their members. For example, the Israeli state protects fundamentalist sects of Judaism by outlawing traffic through their neighborhoods on the Sabbath. And the US Supreme Court ruled, in Wisconsin v. Yoder,2 that the Old Order Amish could end the education of their children at age 14 (contrary to Wisconsin law that mandated education for all until age 16). One of the arguments of Yoder is that Amish children have no need of the education that would let them fit successfully into the larger US society because they will live in the extraordinarily restrictive Amish society, in which low levels of education are sufficient for normal success in occupational life.

Timur Kuran [1996] speaks of efforts to maintain a particular cultural identity against the pressures of the larger world. This can be handled as a direct effort. But it can also be analyzed from the fact that behavior and beliefs are causally related for several reasons. First, behavior leads to knowledge, much of it happenstance knowledge, that then affects beliefs. Second, knowledge clearly affects behavior directly through preferences, but it also affects it in longer-term ways that might not be so evident at a glance.

For example, consider the Catholic woman in a society such as the United States, in which Catholic norms are assailed by the greater license of many, even most people. It is clear from the pattern of many lives around her that people sometimes lose their faith. She fears for the future faith of her family and of herself. In this moment, however, she has her faith and therefore wishes to keep it. She might therefore put herself into positions from which it would be very difficult to slide away from her beliefs, both by isolating her from worse influences and by building her own commitments via the first causal relation above. For example, she might become an anti-abortion activist. This would effectively isolate her from many irreligious liberals around her. And it would subject her to frequent interactions with people who would give her information confirming her beliefs.

This woman goes beyond Derek Parfit’s radical young Russian count, who wants to coerce his future self to contribute to the radical causes he now supports by giving his money and land to those causes now, lest he turn conservative later and renge on these commitments (Parfit [1984, 327]). This woman chooses not now merely to restrict her options in the future but, more profoundly, to make her future self be the self she now holds right.

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9. Sincerity of Belief and Knowledge

Because religious norms may be socially enforced with quasi-moral judgments and sanctions, so that practice and belief may diverge, there is a striking difference between religious belief and non-religious pragmatic knowledge. One may often wonder about the sincerity of those who claim to hold religious beliefs, whereas one would typically not even think to wonder about my sincerity when I claim to know, say, how harsh the winter was, how to make my car start, or whether Caesar was a Roman. It is not only its normative quality, but also – and perhaps more so – its problem with sincerity that distinguishes religious from non-religious pragmatic knowledge and that leads us to speak of belief rather than of religious knowledge.

The problem of sincerity of religious beliefs can run very deep. For example, I grew up in a society in which many people touted religiosity but did not act according to their asserted religious beliefs. Social conformity was pushed by the fact that many of them would have been uncomfortable in the presence of those who did not profess strong religious beliefs. Indeed, they would have been more uncomfortable among doubters than among people whose beliefs were professed strongly but substantially different from, even contrary to their own. Yet, they would also have been uncomfortable among those who professed the same beliefs but who sincerely professed them. Their own professions were like those of Stendahl’s [1831] young Mathilde in The Red and the Black, who adopted airs of devotion that were motivated by the response they would bring from her small society, not by actual belief, or like those of the contemptible preacher in William Gass’ [1966] Omensetter’s Luck, who seemed more concerned to have people think him good than actually to be good.

Against the importance of the problem of sincerity in distinguishing religious from non-religious knowledge, one might assert that the deeper problem here is a lack of experimental testing for religious belief. But this scientific vision is a very late historical development – one could plausibly characterize it as the invention of Galileo. Admittedly, the separation of religious and non-religious pragmatic knowledge is also a late development. But the separation was well understood long before Galileo. For example, Pythagoras reputedly asked someone to stop beating a dog because he recognized in the dog’s yelp the voice of a deceased friend. The notoriety of this story has presumably turned in large part on the incredibility and, hence, supposed insincerity of Pythagoras’s claim.

Even those who seem most deeply committed to their religious beliefs and who seem unfailingly to act according to them often express doubt about their own sincerity. The tradition of such self-doubt in Augustine, Pascal, Kierkegaard, and others is immanent in the religious life.3 The tradition of skepticism about pragmatic knowledge of the physical world has almost the opposite character. Hume famously noted that, at the end of a day of skeptical reflection, the philosopher can have a beer and a good meal in the company of friends, as though to flout her skepticism about the existence of that world of daily pleasure. If there is insincerity, it is about the doubt, not about the content of pragmatic knowledge. It would seem Kafkaesque or perhaps, less elegantly, postmodern to wonder about the sincerity of one’s own knowledge of the physical world.

The problem here is that of sincerity or of self-doubt, not of doubt of the religious beliefs themselves. One could doubt the latter without any insincerity in one’s commitments still to follow them as the best judgement one can make – just as one can doubt any other bit of pragmatic knowledge without any insincerity in one’s commitments to act on it as the best judgement one can make. The problem of insincerity comes from the mismatch between incentives to express beliefs and the content of one’s actual beliefs. There can also, of course, be a mismatch between the dictates of one’s religious beliefs and other, perhaps momentary, interests one might have. But there can be such mismatches between different interests that one might have, as in some accounts of the problem of weakness of will, without any implication that one’s beliefs about these interests are problematic, should be misrepresented, or could profitably be misrepresented. The peculiar problem of religious beliefs is that they can pervasively be misrepresented with profit. This is the insincerity of the salesperson.

While the problem of sincerity of beliefs may be pervasive for religious belief, it is not uniquely associated with such belief. It is motivated by the fact that there are rewards for the mere expression of beliefs. Consider two other realms of knowledge in which sincerity is at risk for the same reason: that reward accompanies expression that might therefore differ from belief. First, in politics, rewards are clearly attached to advocacy of positions and to working on behalf of them. Politicians are commonly thought to be masters of insincerity, somehow winning support from people who do not believe them. Politics might be seen as an instance of advocacy. In advocacy of virtually all kinds, the task of the advocate is to represent views that she may not personally hold and, hence, to be insincere.4 Some advocates, however, work on behalf of the client or other whose views they represent. Politicians sometimes are representatives in this sense. But sometimes they seem to adopt views for the principal purpose of securing their own place in office. Representation and self-serving might be hard to separate, and therefore there is great scope for insincerity.

Second, it is a central supposition of postmodern social science that any academic claims might be motivated by interests rather than by belief in their truth. There is a sense in which this could well be true. I will be rewarded for

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3 For every Augustine with self-doubts there might be a hundred Torquemadas and Savonarolas who appear not to be troubled with the slightest hint of doubt in their beliefs.

4 For discussion of moral problems of advocacy, see Audi [1995].
the work I do, and those who control the rewards may reward some kinds of work far more generously than others. I might therefore do what brings rewards rather than what compels by its seeming truth. In some fields, however, truth might be a far more compelling concern than in others, so that interests might well be strongly associated with truth in those fields. If other physicists cannot replicate the finding of cold fusion, for example, the physicists who purport to have found it suffer loss of respect if they do not conceal the issue. In literary criticism there are no such tests and in the social sciences the tests are commonly less compelling. Hence, the postmodern critique of knowledge might be critical for literary criticism, less so for the social sciences, and hardly at all for physics or biology. Of course, it might be especially apt in application to the postmodern vision itself, as is suggested by the embarrassment of physicist Alan Sokal's spoof of the enterprise, which was published with seeming enthusiasm by the leading postmodern journal, *Social Text* (Sokal [1996a], [1996b]).*5* The greatest difficulty postmodernists face in academic life is the pervasive suspicion from others that they are insincere, that their motivation is more to be audacious and nihilistically critical than to be meaningful or truthful in their claims.

Despite the importance of such instances of insincerity in merely pragmatic contexts, insincerity seems to be a massively more pervasive concern in moral and religious contexts. Indeed, in these contexts insincerity seems to threaten in every moment, so such so that we may often wonder whether we can judge anyone to be genuine in their asserted views unless they take extreme actions that entail self denial. When we praise those who have acted in saintly self denial, it is plausibly not so much the self denial as such that motivates us but the apparent proof of their actual sincerity of belief. The mortification of self practiced by such people as Saint Francis is surely not in response to any plausible demand of a decent god. Its value, if it has any, is on earth in giving credible witness to the sincerity of the beliefs of those people.

10. Fundamentalist, Infallible Belief

This is an inherently liberal account and therefore perhaps an inherently subversive account of religious belief. It is about the sources and causes of belief, whereas religious beliefs are commonly defended as simply true by revelation or authority and beyond such investigation. Liberalism is part of the tradition of the Enlightenment and the investigative spirit of modern science. A liberal account takes for granted that there is a possibility of error and that open, encompassing investigation must generally be useful for correcting error. Error can be grim. John Locke supposed that credally, just as much as politically, we are required to put our trust in what may prove to betray us (Dunn [1984, 298]).

A liberal account is also inherently normative in the following limited sense. Because it is about the grounds for belief, it is about the reasons for belief. To say that one has reasons for a belief that trump reasons for not holding the belief is to say that one ought to hold the belief. Or, if the explanation of a belief turns out to be socially generated incentives for holding it, rather than reasons for holding it, one ought to question the content of the belief. In both cases here, the "ought" is the limited one of rational ought.

For some religious believers, there is a peculiar quality to religious knowledge that one would not claim for ordinary practical knowledge or that liberals would not claim for any kind of knowledge. In the vocabulary of writings on religious belief in a liberal society, this quality is infallibilism. To be a fallibilist “is essentially to embrace the ideal of self-critical rationality” (Perry [1991, 100]). A fallibilist holds her beliefs subject to error and correction. Many fundamentalist religious believers evidently believe that even to suppose error possible in their beliefs is to fail to live up to those beliefs. Doubt is itself a sin or a wrong. Clearly, a fallibilist cannot give honor to anyone else’s claim to have infallible knowledge and a liberal cannot give credit to any political claims to ground restrictions on supposedly infallible knowledge.

While there might be political difficulties in including religious views in a pluralist polity if those views entail restrictions of the behavior of non-believers, there are especially egregious problems in giving recognition to claims of infallibilism.

Moreover, while any theory of knowledge acquisition might be able to explain belief in the infallibility of some bit of knowledge, standard epistemological theories and standard sociologies of knowledge are incapable of recognizing any knowledge as actually infallible. Indeed, it seems virtually incumbent on a theory of knowledge to be fallibilist. To inquire into the sources of infallible beliefs is therefore inherently to doubt them and, for the believer, to cast aspersions on her religiosity by casting doubt on her belief. Oddly, however, it would be incoherent for the ostensibly infallible believer to suppose a non-believer could believe the infallibility of her beliefs. Imagine the oddity of the injunction: “I know you do not believe what I believe, but you must nevertheless believe that what I believe is true.” The claim of infallibility simply brings discussion to a close. By definition, there is no point in dialog between a liberal and an infallible believer on a point of infallible belief other than to subvert not merely each other’s views but, more profoundly, each other’s epistemology.

David M. Smolin, a law professor and an evangelical Christian who perhaps has infallible beliefs, complains that a requirement of fallibilism in knowledge for participation in political debate would exclude “from dialogue a number of culturally significant religious communities in America, including various Chris-

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5 Stanley Fish, director of the Duke University Press, which publishes Social Text, criticizes Sokal's and defends postmodernist views (Fish [1996]). Also see New York Times, May 26, 1996, p. 4.6.
tian groups... and theoretically conservative representatives of other monothe-
ist[ic] religions' (in a letter quoted in Perry [1991, 139]). Smolin’s central point is to argue against the exclusion of religious claims from political discourse, as do many others (e.g., Quinn [1995]). But his complaint seems oddly misplaced at least in its wording. It is the claim of infallibility that closes off dialog by denying its relevance. This is an epistemological, not a political, point. Those with infallible knowledge on some issue might not be excluded from participating in politics on that issue, but they exclude themselves from dialog on it. For the infallibilist, politics is not a matter of dialog and potential agreement but only of separating into secluded communities or of fighting to prevail and vanish. The Amish separate; the Ayatollahs vanish. It is distressing but not surprising that successful leaders with infallible beliefs—religious or secular—have established regimes that are numbered among the grisliest of human political history.

It is not clear on what grounds an infallibilist should tolerate holders of contrary views except on the pragmatic political ground of incapacity to suppress them. A fallibilist, however, can value even putatively wrong theories as potential routes to better understanding. Fallibilism is the natural economic stance on epistemology because it holds open the possibility of competition of ideas and the improvement of our knowledge. Freedom of speech is a fallibilist’s ideal.

It is common to argue against political toleration—especially by those strongly committed to their own views—that to tolerate is to put up with something bad or wrong. But if it is bad or wrong, we have reason to rid the world of it. It follows that toleration is misguided. But this is not the point of political toleration. Liberals do not simply tolerate something thought to be bad; rather, they tolerate persons whose views or actions are thought to be bad or wrong. They do so in part because they are fallibilists. They might outlaw certain actions, such as ritual sacrifice or suttee, for which the evidence of harm seems clearly to trump the evidence of benefit. But they do not outlaw beliefs or advocacy of beliefs. Openness to alternative beliefs and knowledge claims is, contra the standard defense of toleration, rational for a fallibilist who, by definition, does not suffer the hubris of certainty.

11. Concluding Remarks

An economic theory of knowledge seemingly makes sense of much of the phenomenon of religious belief as merely a form of knowledge. Such a theory must, of course, be concerned with the incentives for and costs of coming to discover some bit of knowledge, which is the common focus of the economics of information. And it must be concerned with the structure or pattern of the happenstance availability of plausibly relevant knowledge in moments of decision. But it must also be concerned with the causing and maintaining of belief through the forceful incentives of norms of exclusion, functional reinforcement, and adaptive belief formation. These latter concern the way incentives actually bring one to come to believe some range of knowledge, not merely the incentives for coming across the content of that knowledge. This concern might be of interest in virtually all areas of pragmatic, that is, useful knowledge.

Additionally, when a bit of knowledge or belief has normative implications, especially when it is rewarded by the reactions—rewards or sanctions—of others for normative reasons, it can be subject to the problem of insincerity. Insincerity would generally be an odd problem for most of ordinary pragmatic knowledge, but it might be commonplace for moral knowledge, including such knowledge grounded in religious belief. As in Hume’s claim that normative and objective visions are inherently, logically separate, so insincerity depends on the predication of normative concerns and not merely on assessments of objective facts.

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Rational Choice in Religion – and Beyond

Comment

by

BRUNO S. FREY

1.

Russell Hardin's [1997] paper shows the strength and potential of rational choice when applied in a careful and thoughtful way. The resulting Economics of Religion offers worthwhile insights going beyond what has been achieved by competing approaches, in particular by the sociology of religion. It is important to establish rational choice as a legitimate way to look at religion. However, only fools would claim that this is the only sensible way of approaching the subject; rather, it draws our attention to so far neglected issues, as for example, the competitive markets in which churches and sects are active.

Hardin goes one step further. He not only considers religious behaviour resulting from the interaction of given preferences and variable constraints, but thinks about how religious beliefs (i.e. preferences) are shaped by benefit and cost considerations. While Hardin's thoughts can, at this stage of research, be only preliminary, they are able to show that the realm of beliefs is amenable to rational choice considerations.

Precisely because established economic thinking is well applicable to religion, care should be taken to also see the limits of that approach. Indeed, it would be a disservice to the economics of religion if it transcended the boundaries within which it yields useful insights. I see three areas in which it is advisable to go beyond traditional neoclassical economics, and where insights from neighbouring scientific fields, in particular psychology, should be integrated. One of the major aims of this endeavour is to identify what is different in religion (as compared to the demand and supply of consumption goods such as milk or cars), in contrast to focussing solely on what is the same. This will allow us to make the theoretical statements more consistent with empirical observations.

I wish to argue that (a) in particular areas, a more refined economic analysis is needed; (b) behavioural anomalies should be taken into account; and (c) the

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interaction between intrinsic and extrinsic motivations (Crowding-Out Effect) should be considered. For reasons of space, the underlying issues can only be sketched; the empirical examples given serve only as illustrations.

2.

Consider the following two effects which seem to be typical for religion.

(1) Saulus/ Paulus Effect. In many instances, behaviour with respect to religion is characterised by sudden large-scale changes. Thus, Saulus’ conversion to Christianity was a dramatic event visualised by his falling from his horse during a tempest. Similar drastic changes in beliefs and life styles are reported for a great many other religious events. They stand in stark contrast to the marginal changes that economic analysis rests upon.

(2) Laurentius Effect. What is a cost to every other person, including the scholars looking at it ex ante, may be taken as a benefit to particular religious actors. Thus, Laurentius was roasted on a grill which benefited him in becoming a saint of the Catholic church. The grill was such an important aspect of his life that it became his attribute with which we can identify him on paintings. Another example (see SCHMIDTCHEN and MAYER [1997]) are the mendicant friars who voluntarily chose poverty for their personal life and orders (Franciscan, Dominican and Augustinian). This again completely contrasts with the economic assumption of wealth maximisation.

Nothing of what has been said is meant to suggest that neoclassical economics would not ex post be able to account for such effects: it is one of the most notable features of rational choice analysis that it can trace any observation of reality. The real question is, of course, whether the corresponding formulations make sense or whether one needs extensive or even ridiculous distortions of the economic approach to account for the observations. Moreover, such behaviour must be predictable ex ante, i.e. the conditions under which the Saulus/Paulus Effect and the Laurentius Effect are taking place must be empirically observable.

In many cases, such a rational choice analysis is possible. Thus one may use the more refined analysis offered by KURAN [1997] to account for drastic changes in beliefs and behaviour. Saulus’ attraction to Christianity may have accumulated slowly and in small steps (i.e. marginally) but his public behaviour did not change (or became even more anti-Christian). The dramatic experience then caused a sudden change from one extreme behaviour to another. Such deeper analysis is much needed to make the rational choice approach interesting, but at this stage I do not want to imply that Kuran’s analysis provides the only explanation to account for the Saulus/Paulus Effect.

Religious behaviour is certainly an area in which psychological anomalies (in the sense of KAHNEMAN, SLOVIC and TVERSKY [1982], DAWES [1988] or THALER [1992]) frequently occur. Two instances immediately come to mind.

(1) Sunk Cost Effect. The higher the past effort to enter and be a member of a particular church or sect, the more strongly one is attached to it. This effect is well known and has been actively used by all kinds of religious organisations. It is paradoxical for an economist that raising entry barriers can be advantageous for the group so acting because according to the Price Effect the cost increase should reduce the demand for membership. The paradoxical initiation costs identified by IANNACCONE [1992], [1997] are thus a reaction to a psychological anomaly, on which his well-taken rational choice analysis builds.

(2) Endowment Effect. Though the membership in a religious congregation is to a considerable event a happenstance, as HARDIN [1997] points out, individuals place much value on it, in any case much more than if they did not have this membership. Not rarely, many people have gone so far as to sacrifice their lives in order to keep their membership (these are the martyrs) but fewer would be prepared to risk their lives for the chance to become a member. Thus, we observe an often dramatic difference between being a member of a religious organisation, and choosing between such organisations. The very often large difference between the willingness to be compensated to go without a good (in our case to be a church or sect member) and the willingness to pay for a good (in our case to enter a church) has been well-established in experiments and real life observations (e.g. KNETSCH and SINDEN [1984]).

In addition to such well-known behavioural anomalies, there are other paradoxes where orthodox economics fails. An important instance are the “grand” decisions in life – in particular education, marriage, and children – which are characterised by specific aspects to be taken into account. Another such “grand” decision is religion. With respect to at least three aspects, the choice of one’s church or sect systematically deviates from what an outsider observer would consider rational.¹

(3) Too Little Search. Very few persons seriously consider and compare alternative religious beliefs. But as so much hinges on it, including eternal damnation, an economist would in contrast expect that people take a lot of effort and incur high cost to draw a well-reasoned decision.

¹ For marriage anomalies see the theoretical arguments, and empirical evidence, given in FREY and EICHENBERGER [1996].
(4) Biased Evaluation. The choice of religion is influenced more by considerations of secondary importance, e.g. the quality of the church choir or social activities offered, than by the dogmatic content which, after all, should be what counts.

(5) Little or No Advice Sought. The decision to enter or leave a religious community normally has the character of a purely private decision not discussed with professionals who would be able to identify the advantages and disadvantages of such action.

4.

Economists of religion should finally be aware of the Crowding-Out Effect (see, extensively, FREY [1996]). It refers to a systematic and empirically well-established relationship between intrinsic and extrinsic motivation. Under identifiable conditions, an external intervention crowds-out the intrinsic motivation people hold.

The external intervention may consist of a monetary reward. Applied to religion, the Crowding-Out Effect states that “pure” faith (i.e. a religious belief held for intrinsic reasons only) is undermined when the respective activities are rewarded by money.

A case in point are the cycles observable with religious orders. Exactly because the rule of “ora et labora” was so successful, the highly efficient Benedictine monasteries became rich and their faith was undermined (see KIETER [1987]). This spiritual decline induced by monetary success prompted the establishment of a reformed order, the Cistercians (Sacred Ordo Cisterciensis). But after some time this order became economically so successful that pure faith was crowded-out. Again, the solution found was to branch out into a new order, the Trappists (Ordo Cisterciensium Reformatorum) who returned, as they see it, to the “true” Benedictine rules. That money drives out faith (under some conditions) is thus supported by historical experience, and should be integrated as an important element of the economics of religion.

The Crowding-Out Effect is observable well beyond Catholic orders. Indeed, an effective means to undermine pure faith is to establish a state church in which the clergy are public servants. As IANNACCONE [1997] tells us, it was David Hume’s view that the incentives of religious suppliers are reduced when priests become members of the public bureaucracy. It is also dangerous to start paying volunteers because they thereby lose their intrinsic motivation. They then perform their services to the church at best because they are interested in the money, but often they refuse to participate further. Such a reaction would lead to catastrophic consequences for many religious organisations. In the United States alone it has been estimated that over ten million people donate volunteer services to their congregations each month, with the average volunteering work over ten hours per month (BIDDLE [1992]).

A second type of outside intervention crowding-out intrinsic motivation may be regulations. The stricter the commands and the higher the expected punishments, the lower is pure faith because it is not needed to support a given behaviour. It is tempting to apply this relationship to Catholic orders of which there is a huge variety (see e.g. SCHWAGNER [1993]). On the spectrum existing, the Cartusian (Ordo Cartusiensis) and the Trappists (who revealingly also call themselves Ordo Cisterciensium Strictioris Observantiae) may be identified to have extremely strict rules while the Jesuits and the Capucins (Ordo Fratrum Minorum Cappuccinorum) are much more flexible and leave a significant amount of discretion to the individual members.

Following Crowding-Out Theory, one would expect that an exogenously-caused breakdown in discipline has very different effects. Such breakdowns in discipline occurred in the wake of the Reformation, the French Revolution and the edicts by the Austrian emperor Joseph II. As the extremely strict discipline in the Cartusian and Trappist orders in the course of time tends to crowd-out intrinsically held faith, it may be expected that these extreme shocks affected them very negatively, e.g. that many monks left the order and that it was therefore difficult or impossible to sustain. In contrast, the Jesuits and Capucins are expected to have survived such blows more easily because its much freer members have to be intrinsically motivated from the very beginning. This is, of course, a rough sketch only of how extrinsic and intrinsic motivations might interact in religious life, and in particular Catholic orders, and there are certainly a great many additional factors influencing the behaviour of monks. Above all, a careful historical and empirical analysis has to be undertaken in order to test how far such theoretical predictions allow us to better understand social reality. The purpose has only been to make it plausible that in the economics of religion it may be useful to go beyond standard neoclassics, and to consider a broader realm of human behaviour.

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Retrospective Reflections on the Discussions at the Conference

Concluding Comment

by

EILERT HERMS

Attempting in retrospect to summarize what as a theologian I remember as the most important topics in the discussions of the past days, as stimulating proposals in method and procedure and as provoking results, what in short for me is the result of this conference, I would like to make the following four points.

(1) Rational choice is applicable to religion in many respects. "Economics of religion" is helpful for the clergy. In my paper (HERMS [1997]) I briefly indicated that all institutional arrangements in every sphere of social life must be considered as instruments to reach fixed aims by a minimum expenditure of scarce means, including the scarce means of time, i.e. the brevity of a lifespan. I experienced the acknowledgement of this rationality of institutions in general as the overriding consensus of the past few days. Furthermore, many contributions, comments and discussions have shown to what extent this principle of institutional rationality holds true even for religious institutions, both for external ones and, what is important, for internal ones (for the psychiatric institutions of religion, so to speak) as well. They have also shown to what extent the endeavor may possibly be fruitful, provoking and enlightening to achieve an understanding even of religious institutions by using models and viewpoints developed by economics to explain the rationale of institutions in the economy. This in fact cannot come as a surprise, if one takes into account the predominant and pervasive role of rational choice for all interaction in general. Once detected and acknowledged, the rationality of all institutional arrangements longs for the opportunity to interpret all institutions in all fields of social life according to the model of rational choice. It is really applicable to everything, even to religious institutions. This must be acknowledged, notwithstanding the difficult question as to what the preconditions are for an appropriate and really fruitful application of this model to fields other than the economy, as for example religion. Above all, it seems indispensable to understand precisely the essential peculiarities of interaction in the different fields of religion (Weltanschauung, philosophy, ethics, art and other forms of communication of the meaning and purpose of life), science, politics and the economy. It is not at all like

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purchasing or selling a house of a certain standard for the lowest or highest price possible. Here, I think, a lot of reflective phenomenology, a lot of conceptual understanding, remains to be done. Nevertheless, in the meantime, theologians, churchleaders and the clergy in general should take it seriously that the rational choice model in some way or other is applicable to religious institutions in general as well as to the institutions of Christianity (and other historic religions). Indispensable for such an interpretation and evaluation of religious institutions is: First, a clear understanding of the particular function of faith in the life of human beings, of the aims which people hope to reach by faith, and of the necessary — though perhaps not sufficient — conditions for the growth and ripening of faith. Second, a resolute and penetrating consideration of the ability of church institutions to meet these needs in a rational way, i.e. one that gives rise to the rational hope that men attending these institutions do what they can for the attainment of those religious aims without wasting time, energy and money. This seems imperative for a professional handling and development of Christian institutions by the clergy. Here the endeavor to apply the rational choice model, i.e. to think consistently along the lines of an “economics of religion,” may be helpful for clarifying the situation, at least in order to detect the real nucleus of problems of its adequate interpretation and of the very practice of religion.

(2) The distinction between choices one has to make oneself and choices made for oneself is important. Following the discussions, I often felt that the striving for virtuosity in applying the rational choice model to every single sphere of human life for some people at some time or other may have a certain byproduct; by acknowledging the fundamental and pervasive role of choices and decisions in human life in general, he/she may become aware of the distinction between two kinds of choices: on the one hand, choices which a person makes and has to make himself, and on the other hand, choices which, although no less decisive for the shape and quality of personal life, are made for the person by other authorities, and which every single person has to accept passively as an effective condition for his own life. One may reflect on the authorities which are the cause and origin of such choices made not by us, but solely for us: the course of nature, other people, God or fate. But one can also reflect on the aspects or levels of one’s own life or existence which are to be determined by such outside choices and decisions about and for us. First, they may concern external factors of our worldly situation in nature and society, which represent the least dramatic, utterly normal case of living interactively with nature and other persons. Second, they may concern the state of our own body, its perfection or deterioration. We take this more seriously, considering it as a real danger which we try to prevent by means of caution or by legal institutions, or by means of medical care — all of which nevertheless cannot change the fact that our bodily fate at least is not determined by our own decisions, but by decisions made for us: the body is doomed to age and die (as all natural systems are). But finally, there are also outside choices concerning the very heart of one’s inner life, affect and feeling, the sphere of passions, which condition and indeed determine what we can will at a time. This is one of the oldest and most persistent problems and topics of anthropology from the times of the Stoic school, through the Bible (see Ps 51, 12), the Scholastic philosophy and theology of the Middle Ages and the early post-reformation centuries, to the era of Enlightenment (see for example Hume), the romantic age and, since the end of the 19th century, to the various schools of philosophic phenomenology and depth psychology of our times (for one influential author contributing to both developments see F. Brentano).

It obviously has a bearing on any adequate use of the rational choice model which cannot be overestimated, if we take all these strata of existence seriously which are open to determination by outside choices, and especially the latter stratum of our inner life. This is necessary because whatever people can treat as an object of rational choice at any given time always lies within the sphere of objects they are able to intend and to will. This ability is always determined by inner conditions of a passionate, affectional and emotional kind, constituted passively not by but for the person.

And what is most important, these different inner states establish quite different standards of rationality. The rationale of do-ut-des-relationships which predominate in economic exchange seems to be only one type of rationality. For example, it may be the case that a person by his or her inner feeling is determined to “worship” a beloved other being, so that the rationality of this situation demands not a balance between contribution and reward, but allows for and in fact demands contributions prior to and irrespective of the expected and experienced retribution. Only from the perspective of an obviously onessided understanding of rationality may such a behavior seem foolish. Furthermore, the mechanisms of establishing these inner states which determine the space for possible rational choices by persons are not a possible object of rational choices of the same kind as those which are always conditioned by such states, irrespective of the degree to which the growth and development of such inner states in the light of some knowledge about these mechanisms may be conditioned or influenced. They just cannot be caused in the same way we can cause the existence of a house by the means of craftsmanship.

Of course, all this seems to be of fundamental importance for every kind of adequate “economics of religion.” But it is equally important for every adequate “economics” of a lot of other spheres of life as well, as for example love.

I am not sure if to take this constitution and these varieties of inner states and the various types of rationality related to them seriously would rule out the possibility of applying the economic perspective universally. I think it would not. But it would, at any rate, deeply and, I think, completely change the inner structure and the outer appearance of the economic interpretation of human behavior, interaction and institutions in general. Some rather naive and reductive general procedures, or inflated “imperialisms” (as they call themselves without hesitation) can hardly be overestimated any longer.
(3) The aforesaid distinction is rooted in the structure of human existence. An anthropological framework with universal scope is indispensable for all social sciences. The distinction concerning conditions of applicability for the rational choice model explicated in the last paragraph concerns the structure and conditions of human freedom. At least since Kant, but one could also point to Hume and even earlier classics of European Enlightenment philosophy, representing the rationalistic as well as the empirical tradition, we know that freedom as an essential trait of human nature is not detectable by observation of outer facts, but solely by the reflection of human beings on the constitutive and universal traits of personal life in the world. Such a framework of pure anthropology with a universal scope which is gained by reflection, which guides observation and is made valid by the practical serviceability of theories and models built under its guidance, is indispensable for all social sciences. The great classical example, Hume’s theory of human nature, is not a result of psychological and sociological research, but a framework which facilitates and guides such projects of research,¹ achieved by reflection.

To me it seems a very important methodological principle of the New Institutional Economics that it not only explicitly acknowledges the dependence of economic theory on the specific assumptions of an underlying theory of human nature with a universal scope, but that it also realizes the decisive role of this conceptual framework and its specific content for every application of economic models to interaction phenomena outside the ecology. It realizes this, since the adequacy of every application presupposes an adequate understanding and interpretation of the constitutive peculiarities of the interaction phenomena concerned, and this understanding and interpretation in turn depends on the general concept of human nature underlying and leading this understanding and interpretation.

Now, the reference to certain elements of this general nature of man in the different social sciences must not be ad hoc, but should understand these single elements of human nature as elements within a complex structure in its entirety. And this entirety again must not be built anew from zero by every social science or even social scientist for their own purpose. Rather, it should be the object of common phenomenological and reflective work transcending the boundaries of faculties and disciplines, integrating the great inheritance of the classical, philosophic and religious tradition.

(4) Traditional Christian anthropology is not useless for such an adequate understanding of the constant traits of human nature guiding empirical research. In the Western world this classical tradition is not only a philosophic, but also a theological one. Theology does nothing but explicate and expose the specific view of Christian faith on the constant structure, the origin and destiny of human existence in the world by thinking and with conceptual means. In this view, for example, all questions concerning the conditions of human freedom are central. And within this context exactly the distinction outlined above between choices ordinary persons are doomed to make themselves and the other set of choices of different kinds which decisively concern the conditions under which ordinary persons have to make their choices, but which cannot themselves be an object of such choices at all, although they facilitate or condition all of them.²

Remembering the great insight of J. G. Fichte “The nature of an individual determines his choice of philosophy” (“Was für eine Philosophie man wähl, hängt sonach davon ab, was man für ein Mensch ist”³), one might wonder whether philosophy can in principle do anything else than theology, namely to explicate by way of methodical reflection the content of the practice- and life-guiding convictions concerning the structure of mundane existence which a person has acquired by listening to tradition and his own experience of human life.

If there is something true in this, then the universal conceptions of human nature which are the central content of every really existing Weltanschauung or religion should be treated as candidates for, or at least as contributors to, such an insight into the constant traits of human existence which may not only underlie the scientific study of religious life, but the entirety of social life in all its essential spheres of interaction.

To summarize, besides everything else that theology may learn from the discussions, they have opened up a perspective on interfacultary cooperation in the exchange of principles, methods and results of research and reflection which could finally and happily replace the ancient attitude of rivalry among the disciplines (Streit der Fakultäten).

¹ See E. Herms [1983]. The consequences of Hume’s general theory of human nature for the concept of the nature of religion are now shown and critically discussed in A. Wengenroth [1996].

² For example, the famous title of Luther’s De servo arbitrio, almost unknown in scientific circles and widely judged to be a representative of the darkness of the Middle Ages, in fact deals with nothing but the clarification of the distinction between everything which is possible for us and our free choice and that which is not and cannot be an object of our free choice, especially not the inner conditions of the heart, which are brought about passively and which determine what people can will freely. That is, it obviously deals with the question which is central for every realistic version of the model of rational choice. In a similar way the conceptual work of the great exponents of scholasticism of the Middle Ages, especially that of Thomas Aquinas, has proved fruitful for the general conception of human nature and sociality until today.

³ J. G. Fichte [1910, 18].
References


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