

# **On the Economic Constitution of Old Testament Religion: A Critique of Buchanan's Understanding of Religious Moral Precepts**

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## **Abstract**

When discussing social contract, James Buchanan distinguished two approaches for generating order and cooperation in society: A religiously inspired moral precepts approach, which he dismissed; and constitutional economics, which he favored. He associated the former with the irrational: spiritual, non-secular, pre-modern – theological – concept; whereas the latter set out in his understanding enlightened, modern and rational social contract, which he followed up in institutional economic terms. The paper casts doubt on this strict separation of religion from economics. It argues the thesis that Old Testament religion portrays, in addition to a spiritual dimension, a rational economic one also. The paper proposes a concept of 'rational religion' that traces, in substance and nature, institutional economics into Old Testament-based religion. This contests the boundaries between economics and religion. Further implications result regarding the philosophical foundations of Buchanan: i.e. the Enlightenment's agenda of separating the ancient/pre-modern from the modern; or indeed, traditional religion from rational ethics and science. The paper challenges such dualistic opposites that have separated religion from economics for so long.

## **Key words**

Institutional economic foundations of Old Testament religion; Old Testament religion; rational religion; economics of religion; boundaries between religion and economics; James Buchanan.

# On the Economic Constitution of Old Testament Religion: A Critique of Buchanan's Understanding of Religious Moral Precepts

Despite the institutional and technological changes that have occurred, there may be major elements of stability in our society that I have tended to overlook in my discussion.

(Buchanan 1979, p. 216-217)

Social action in modern societies is highly structured by institutionalized rules. These rules take the form of cultural theories, ideologies, and prescriptions about how societies work or should work to attain collective purposes.

(Meyer, Boli & Thomas 1994, p. 9)

## 1. Introduction

In his writings, Buchanan generally separated religion from economics. He viewed constitutional economics only as the enlightened, modern, secular and rational program on society. Nevertheless, at a later point in his career, Buchanan (1979, pp. 216-217) admitted to stabilizing forces in society that were overlooked by his constitutional economics – but that may be important for better understanding of the success of his economic program. He seems to agree that economy is at least to a degree culturally constituted, and that culture helps to stabilize society. The kind of forces Buchanan here has in mind are indeed moral ones, as explained later. As much as the paper agrees with this admission, it also challenges it: It argues that Old Testament-based religion embodies constitutional economic thought, and consequently that the boundaries between religion and constitutional economics are in

flux. This will contest Buchanan on two accounts: How he explicitly and rather consistently separated the religious from his constitutional economics; and how he later conceded to important stabilizing forces that morals exert in society but kept locating religious moral rules in substance and nature outside his constitutional economics. A main contribution of the paper then is to trace a rational economic dimension of Old Testament religion and debate implications of this project; how it changes our understanding not only of the nature of religion but also of economics and how economy institutionally constitutes. This has further implications for the philosophical context with which Buchanan aligns himself, not least being the Enlightenment's agenda for modernity and its strive for rationalization. In particular so, as the Enlightenment, like Buchanan, aimed to discard biblical religion from its rational frames of reference when newly proposing ethics and science.

Methodologically, the paper follows non-historiographic approach. It digresses from Stuckrad's (2013) call for historical research on religion when examining questions of how religion relates to constitutional governance. Rather, the paper favors interpretivist methods of text-critical and text-immanent reading of religious text (Hebrew Bible/Old Testament), drawing on narratology and text analysis (Titscher et al. 2002; Wodak & Meyer 2003; Bal 2009). Since the 1970s, this approach has made considerable inroads not only into the social sciences but also into biblical and religious studies (e.g. Fokkeman 1975; Clines 1978, 1998; Alter 1981; Clines and Exum 1993; Brett 2000; Snyman 2002; Lacoque & Ricoeur 2003; Bondor 2010). Only indirectly, my method then attests to historic purpose: When accepting political-normative functions that the Old Testament text fulfills as a metaphorical guide for political governance. On this basis, the paper interprets religion through constitutional and institutional economic reconstruction, with all the implications this has for our understanding of the nature and essence of religion and economics.

The paper steps back from the question as to how the discovery of rational economic patterns of Old Testament religion relates to micro-behavioral questions at the level of the individual, for instance, as raised by Bourdieu and Wacquant (2005, p. 12-19) or similarly Hill et al. (2000, p. 53-54, 66). Such questions point at the relationship of religion with personal agency or own identity. They portray how socialization and social practices institutionalize in micro-behavioral terms for the individual. These issues, however, can only be pointed at by the current paper but are, at a behavioral (socio-)psychological or micro-sociological level, outside the scope of this paper.

The paper proceeds in four steps. First, it discusses the conceptual context for debate on the supposedly non-economic nature of religion: that religion may be constrained to the spiritual only, and that religious influence in society is thought to culturally shape economy from outside economics. Second, the paper looks at Buchanan's separation of the religious from his constitutional economics. Third, the paper explores how Buchanan's separation of the religious from constitutional economics can be questioned by drawing on his constitutional economics. The paper proposes an economic concept of rational religion, which adds to a spiritual dimension of Old Testament religion. This shifts the boundaries between religion and economics, affecting our understanding of both religion and economics. Fourth, the paper assesses philosophical foundations in which Buchanan is grounded, not least so regarding the Enlightenment's agenda for modernity; i.e. for rationalization and secularization and how the Enlightenment, like Buchanan, positioned itself in opposition to biblical religion. A final part offers conclusions.

## 2. The unquestioned non-economic nature of religious moral precepts

Religion and morals have been widely acknowledged to play a significant role in stabilizing society. They reflect social practices and socialization processes, which have been researched through concepts of 'social cohesion', 'social glue', 'social bonding', 'social capital', 'cultural memory' and so on. Seen conventionally, they are expected to facilitate the integration of society and economy (Meyer, Boli & Thomas 1994; Inglehart & Baker 2000; Kippenberg & Stuckrad 2003; Berlinerblau 2005; McCleary & Barro 2006a, 2006b; Roosevelt Malloch 2011; Stuckrad 2013). Such understandings date back at least to the works of Durkheim. The other classic example is Weber's search for the (protestant) religious ethics of capitalism. Hayek's (1960, 1988) institutional analysis of the evolution of markets and economies, and how religious tradition is supposed to support this process, also belongs in this category. The central argument of such literatures is that the success of society and economy depends on a spiritual 'non-economic substructure' of 'religious bonds' that help to stabilize society and economy (Preston 1979, p. 13-14; early on, Weber 1903; Tawney 1938; more recently Novak 1982; McCleary & Barro 2006a, 2006b; Roosevelt Malloch 2011). Fukuyama (1997, p. 379, emphasis added) affirmed in this respect, explicitly also by re-connecting to Weber:

The norms that produce social capital must *substantively* include virtues like truth-telling, the meeting of obligations, and reciprocity. Not surprisingly, these norms overlap to a significant degree with those Puritan values that Max Weber found critical to the development of Western capitalism.

For Fukuyama and comparable debates on social capital (e.g. Bourdieu 1983; Coleman 1988, 1990; Putnam 1995, 2001; Portes 1998), the general observation is that economy is

culturally constituted, with the cultural including religion, and with religion being focused on the spiritual. But importantly, religion in substance and nature is left outside economics.

Institutional economics arrived at similar conclusions. It observed that religion facilitates economic exchange, when analyzing transaction cost effects which religion exerts on markets (Anderson 1988; Anderson & Tollinson 1992). This aligns with economic sociology, which similarly pointed at transaction cost effects of culture; for example, when examining efficiency-inducing and cost-lowering effects of 'social capital' (Coleman 1990, p. 304; Putnam 1993, p. 167). Other branches of institutional economics analyzed how moral rules support a social economic contract in society (Vanberg 1988, 2002; Vanberg & Buchanan 1988; Vanberg and Congleton 1992; also, Baurmann & Kliemt 1995; Frey 1997; Hamlin 2014). The focus is on analyzing the choice of moral rules in society, through constitutional economic approach that continues Buchanan's program. Morals are then explained as a matter of rational, self-interested choice rather than culture. The goal is to explain, already on grounds of self-interested choice, the coming of moral rules for self-constraining behavior. Importantly, morality is then no longer beyond the idea of self-interest. The economic approach of public choice theory rather than a sociological, cultural program drives research. This program yields a concept of 'rational morality' and it provides an abstract economic answer to the question of how morals come about and institutionally support the ordering of society. Yet, the question of economically recasting religion in general, and Old Testament religion in particular, have been outside the research interests of these programs.

Buchanan's (1979, p. 216-217) admission then is largely a concession to these branches of institutional and constitutional economic research that either search for transaction cost effects of the moral constitution of markets or analyze the governance of

the market economy with a view to the role moral precepts play in a public choice program that supports constitutional economic contract. However, as far as religion shows up in these approaches at all, religious moral precepts are treated in a non-economized way: Religion may exert transaction cost effects or other governance facilitating effects, but it is not theorized as an economically textured concept. No economic theory of religion is visible, especially not so regarding the question how religion could constitute, in substance and nature, in economic terms; and what further implications this would have for our understanding of economy and society and how they are ordered.

Instead, religion is left either to theology, being conceptualized in a traditional way as a spiritual, faith-based religion or alternatively, religion is aligned with enlightened approaches of ‘reason-based religions’, for example Rousseau’s *religion civile* or Kant’s *Vernunftreligion*. Ultimately however, the Enlightenment religions here remained spiritually grounded too, and Rousseau’s *religion civile* possibly more so than Kant’s *Vernunftreligion* (Pasternack 2014). Hamlin (2014, pp. 78, 84-85) connects to this approach, speaking of ‘civic religion’, or Frey (1997) of ‘civic virtues’, both building on Rousseau’s approach, when connecting to Vanberg’s larger constitutional economic program on rational morality.

Smith anticipated this debate on reason-based religion. He reviewed competitive processes amongst different religions and argued on this basis that spiritual and traditional aspects of religion should be eliminated and that this would lead to a ‘true, rational religion’ (Smith 1776/1976, pp. 791-793; also, Anderson 1988, p. 1073–1074, 1086; Iannaccone 1994, p. 740–741; McCleary 2011, p. 3, 19). Had Smith been aware of Rousseau’s *religion civile* or Kant’s *Vernunftreligion*, he may have been quite taken by them for substantively setting out his interpretation of rational religion. He hinted at this when he called for rational religion to reflect ‘positive law’ and ‘the study of science and philosophy’ (Smith

1776/1976, p. 796), and that religion is to be governed by 'reasonable system [of thought]' (Smith 1776/1976, p. 539). However, most importantly for the current paper, Smith separated what he referred to as 'rational religion', in substance and nature both from biblical religion and from his own economics. Smith compares well in this regard to Enlightenment approaches and contemporary research in institutional economics, economic sociology, and religious studies. They generally neglected researching a substantively economic dimension of religion.

Research in the tradition of theological economics here is furthest away from theorizing religion in economic terms and its effects on economy. Rather than discerning any economic dimension of religion, it aspires to theologizing economics and spiritually mystifying economics (e.g. Nelson 1991; Hill 2001; Foley 2006; Agamben 2011; also, Beed 2006). Agamben (2011), for instance, falls back on concepts of Trinitarian divinity as organizing principles of economic governance.

The current paper then does not question that religious moral precepts extend to pure concepts of spiritual religion, or may be recast as enlightened religions following, for example, the leads of Rousseau or Kant. In these regards, the paper would not question Buchanan (1979, pp. 216-217) that religious socialization processes stabilize economy and society. Neither would the paper dispute the role of traditions, religious beliefs, moral rules and institutions in general, in the evolution of capitalism, as researched by Weber or Hayek in their different ways. Yet, critical questions can be raised for them when they left institutions, like Buchanan, in substance and nature outside economics (e.g. Hayek 1960, pp. 61-67; Hayek 1988, pp. 6-7; see also below). A main contribution of the paper then is to contest this core assumption of institutional economics, economic sociology, or religious studies: that our understanding of religious morality, in substance and nature, needs to

remain outside economics; that Old Testament religion in substance and nature could not extend to rational economic program. Therefore, as much as the paper can agree that economy and its governance are culturally constituted and in certain regards, religiously constituted, it turns this question: It searches for the economic constitution of religion. By drawing on Buchanan's own approach, the paper traces economics into religion and in this way contributes to an institutional economic theory of religion. This would also yield a new, substantively economic reading of Smith's (1776/1976) concept of 'rational religion'.

### **3. Buchanan's split of constitutional economics from religious moral precepts approach**

Buchanan's works are widely acknowledged. They are exemplary for the current paper regarding how religion in substance and nature has remained split from institutional economics. The paper then traces the separation of religion from economics in Buchanan's works.

Buchanan's constitutional economics take the natural distribution state or 'Hobbesian war of all' as analytical starting point. On this ground, he examined how even merely self-interested agents can overcome the Hobbesian war, in which initially all parties tend to build up losses. For this purpose, Buchanan proposed economic concept that sets out constitutional economic ordering and steers a mutual gains program for all agents involved in constitutional contract. His approach is distinctively economic in this respect, drawing on ideas like '*homo economicus*', prisoner's dilemma, 'incentive rules', 'mutual loss/mutual gains' and so on (Buchanan 1975, 1977, 1987b; Vanberg & Buchanan 1988).

Nevertheless, Buchanan was aware that there are alternatives to ordering society and overcoming the Hobbesian natural state. One of these alternatives he referred to as the moral precepts approach. He connected it to religious tradition; strictly separated it from his economic program; and most importantly, he dismissed it. His main reasons for doing so related to his critique of religion as being spiritual: He viewed religion as the faith-based, irrational, non-secular, pre-modern and unscientific approach to ordering society.

The rigorous division of the moral precepts approach from economics is apparent in many places of Buchanan's work. For example:

If there is no conflict among separate persons, there is no basis for social contract; there is no need for law, as such. By the same token, however, there is no need for ethics; there is no function of a moral code. In the strict no-conflict setting, pure anarchy remains ideal without tempering. When conflict does emerge, however, anarchy in its pure form fails, and the value of order suggests either some social contract, some system of formal law, *or* some generally accepted set of ethical-moral precepts. (Buchanan 1975, p. 117, emphasis as in original)

The moral precepts approach surfaces as the 'other' alternative to constitutional economics, Buchanan dividing it from constitutional economics. In his understanding, there are 'legal-constitutional rules' to one side, and 'moral ethical rules' to the other (Buchanan 1975, p. 128; similarly, Buchanan 1975, p. 125). His proposals on the economic ordering of society then do not and cannot extend to moral rules including religious ones. A further example to illustrate:

Whether the contractarian paradigm is applied at the level of simple exchange, within the constraints of well-defined rules, or at the most basic constitutional level

where institutions themselves are the objects upon which agreement must be reached, or at any intermediate level, the emergent results of the trading process are properly summarized as a set of optimal solutions, each one of which represents a possible outcome and no one of which dominates any other in the set. (Buchanan 1977, p. 239)

Buchanan, not unlike Williamson (2000), distinguishes three 'levels' of economic ordering in society: The basic contractual one, at which capital exchange takes place; an intermediate one, such as the organizational structures of the firm, which channel capital exchange inside and outside the firm; and a legal-constitutional economic one, which for instance through business law constrains capital exchange on markets. A substantive economic ordering function of any other 'level' that possibly connects to religious moral rules is not seen.

Buchanan then made it clear that religion is to be excluded from ordering society because of his doubts that religious moral precepts can be rational, can be generally enforced, or culturally be shared:

If man could but design a God who would punish for violations of man-determined rules, and would, at the same time, constrain his own impulse to power, stability and progress in social order might be insured. [...] But faith cannot follow design; the man who might imagine such a God could not himself faithfully abide by the [moral] precepts. Shivering man must rely on his own resources to pull himself from and stay out of the Hobbesian war. [...] Man cannot design a God, and man will not universally abide by the [moral] promises he makes. The world is neither Christian nor Kantian [nor Jewish, Islamic, Hinduist, Buddhist, etc.], although Christians and Kantians [and Jews, Moslems, Hinduists, Buddhists, etc.] inhabit it alongside their heathen and

amoral brethren. The necessity for law enforcement must be squarely faced, regardless of our romantic yearnings for an imaginary paradise. (Buchanan 1975, p. 130-1, words in brackets added)

Buchanan here dismissed not only moral precepts approaches that rely on spiritual religious concept (faith in God, divine love, etc.) but also those that draw on Enlightenment philosophy (e.g. Kant). Regarding the former, his rejection of religion aligns with his diagnosis of 'modern twentieth century man's loss of faith in God' when it comes to social ordering (Buchanan 1975, p. 170). Regarding the latter, he was critical of the Enlightenment. This is different to the early Buchanan (1959, p. 134-135) who still seemed to have more trust in Kantianism, in certain regards. Yet, over time he moved away from the attempt to integrate Kantianism into his constitutional economics, eventually warning that '[...] it is extremely dangerous to generalize ideally personal behavior [such as Kantian duty and obligation] into the basis for social organization' (Buchanan 1975, p. 174-175).

As much as Buchanan (1975, p. 117) appreciated the role moral precepts can play as 'internal ethical constraints', they have no place in his economic approach to ordering society, economy and state. No potential overlap between religious morality and economic order is seen or advocated. According to this view, constitutional economic contract and the way it orders society is not (to be) culturally constituted in religion. He announced this skepticism already in the first sentence of *The Limits of Liberty*: '[Moral/all] precepts for living together are not going to be handed down from on high. Men must use their own intelligence in imposing order on chaos.' (Buchanan 1975, p. ix) His constitutional economic program then staked the general claim that economics is both the more effective program

for analyzing and preventing the Hobbesian war and the better social ethics, as compared with religious or moral philosophical approaches.

#### **4. Contesting the boundaries between institutional economics and religion**

As correct as Buchanan's insights into the constitutional economic analysis of society are, the paper inquires how and why we can contest him on the point of separating out religion from economics. Are religious moral precepts completely different from the way Buchanan sets out economic concept? What would the implications be if we can blur the boundaries between institutional economics and religion, by uncovering a rational economic dimension of Old Testament religion?

At a later stage in his career, Buchanan (1979, p. 216-217) admitted to important stabilizing elements in society that resided outside his economic analysis. This partly revised his earlier skepticism regarding the role of moral rules in society. Nevertheless, Buchanan and his later research on this issue continued to uphold the idea of the non-economic nature of morals: He only conceded to economic stabilizing effects of moral precepts, as various branches in transaction cost economics or the constitutional economics of choosing moral rules have researched this (see above). However, moral precepts as such remain the non-economized black box; being approached as spiritual religion; as traditional ethics, like Aristotelian virtue ethics; or as reason-based, enlightened religion, following the leads of Rousseau or Kant, for example. Yet, in essence and nature, religious moral rules and institutional economic concept remain fully apart. The paper's critique of Buchanan consequently does not rest with transaction costs or other stabilizing economic effects that spiritual or enlightened religious moral rules may exert in exchange interactions. Rather, the

aim is to identify a rational economic dimension of religion that embodies the very ideas of Buchanan's constitutional economics. In this way, the paper also sets out a different and substantively economic interpretation of Smith's (1776/1976, pp. 791-793) call for 'rational religion'.

So, how can we add Old Testament religion into an economic frame of reference that continues Buchanan in his own terms? A starting point is Buchanan's admission that '[...] I do not pose as an exegetical expert on ancient text' (Buchanan 1975, p. 147). Nevertheless, he was convinced that enlightened, rational concept of social ordering, as this defines his constitutional economics, were unknown to ancient humankind:

Can there be much question that the conception of independent man, universalized over all persons, was largely foreign to Greek and Roman philosophy? Medieval Christianity introduces an ambivalence, in that individual salvation was stressed but almost always for the greater glory of God. Only in the full emergence from the Middle Ages, and with Hobbes, Spinoza, and their contemporaries does man become possible independently of other men, of God, of state and city. [... In] Hobbes's ability to visualize, to conceptualize, such an existence at all lies the critical difference with earlier philosophers. Can we conceive of pre-Hobbesian anarchists? (Buchanan 1975, p. 147)

Here, Buchanan is critical of traditional philosophy and how it is grounded in religion. In his understanding, it cannot play an enlightened role in social ordering. His general argument is that social philosophy prior to the Enlightenment and prior to Hobbes in particular, had little understanding of ideas that organize modern economics. Koselleck, like many others, confirms such skepticism of Buchanan, that the '[...] legality of ruling was not fundamentally

contested until the eighteenth century', when the Enlightenment philosophies emerged (Koselleck 2002, p. 249; also, Koselleck 2002, p. 235 with explicit reference to Hobbes; similarly, Strayer 1970).

In contrast to such views, the earlier philosophers that the current paper here has in mind are the scribes that composed and finally redacted the Hebrew Bible/Old Testament some centuries BCE. Can we trace in the Hebrew Bible/Old Testament a vision of modernity that exemplifies the Scottish Enlightenment and Smith's program, and reflects economics as the new and different ethics? Indeed, could Old Testament religion mirror conceptual ideas of Buchanan and institutional economics in general, in the way they continued Smith's program? The more precise question is whether the scribes, who composed the biblical text, engaged rational economic concept that anticipates modern institutional economics: ideas on *homo economicus*; prisoner's dilemma; Hobbesian anarchy; constitutional change; and a mutual gains program, which resolves anarchical conflict in economic terms. By searching for these ideas in the biblical text, an institutional economic concept of rational religion can be traced.

Here, previous research successfully uncovered economic ideas in the biblical text. It identified institutional and constitutional economic patterns of thought, mirroring self-interested agents (*homo economici*) and Hobbesian anarchists; the Hobbesian natural state, which sees biblical agents caught up in the prisoner's dilemma predicament; and the constitutional and institutional economic resolution of the Hobbesian war. For example, the first biblical figures who can be cast as pre-Hobbesian anarchists and who get drawn into the war of all, already include Adam and Eve, or Jacob, but also Moses, and later, many of the protagonists of the settlement phase (Wagner-Tsukamoto 2008, 2010, 2012b, 2013a, 2013b, 2014, 2015, 2017[2019], 2018, forthcoming). They challenged existing social order;

and ended up in scenarios that match the prisoner's dilemma. The way their challenges were mounted can rather effortlessly be reconstructed in institutional economic terms.

'Constitutional revolution', the way Buchanan (1975, p. 169-170) sets this out, can be found in the biblical text too, such transformations yielding at least proto-democratic constitutions and state governance. They are prevalent in the ancient text and they lend themselves to modern constitutional economic interpretation. For example, the Joseph stories and the Solomon stories mirror dramatic constitutional change insofar as ideas and principles of institutional and constitutional economic ordering can be seen as having been successfully implemented in these stories, then preventing the Hobbesian war (Wagner-Tsukamoto 2001, 2010, 2013b, 2015). They engage ideas on constitutional change, by employing concept on reforming property rights schemes; building organizational hierarchies; modifying tax system; etc. These are all ideas that were specified in great detail by institutional economics from Coase and Buchanan, to North, Ostrom or Williamson.

Significantly, the constitutional changes portrayed in these stories drove a mutual gains program of organizing society and state. The biblical text sees wealthy and affluent societies emerge under Joseph and Solomon, which left leaders answerable to the people. These societies saw increases in happiness and welfare not only for their leaders but also for their people, in national and international perspectives. This normative-ethical aspiration towards mutual gains has been foundational for modern economics from Smith (the 'wealth of nations' ideal) to recent institutional economics (Homann 1997, 1999; Williamson 2000; Luetge 2005). This is not to say that critics of the market economy may question or possibly misunderstand the ideal of mutual gains or of the 'wealth of nations' as the 'idolatry of wealth' (early on Tawney 1938, p. 280; Preston 1979, p. 6), overlooking the mutuality dimension of this idea.

Nevertheless, the Joseph stories and the Solomon stories link to disastrous counter-revolutions, when the exodus stories and the stories of Rehoboam unfold. This turn to the break-down of cooperation in society, however, can be explained with the same conceptual apparatus: We trace principles of institutional economics that were given up, these stories then telling of tragic outcomes for these societies (Wagner-Tsukamoto 2008, 2009, 2013b, 2015, 2018). This reflects Buchanan's explicit warning that a return to the Hobbesian war of all is a lingering threat and may materialize, the more so if ideas of economic ordering are relinquished. The Hebrew Bible/Old Testament can then be seen to portray concept of modern economics, regarding both successful and unsuccessful institutional economic ordering.

This research provides the conceptual backdrop against which the current paper critiques Buchanan and the boundaries between religion and economics. The thesis is that constitutional economics and Old Testament religion substantively overlap. A new understanding of 'rational religion' emerges, as compared to the one of Smith: Now, rational religion marks out the conceptual grounding of religious moral thought in institutional economics, in the way Buchanan, Coase, North, Ostrom or Williamson exemplarily set out concept of institutional economics. In this understanding, rational religion is seen to be at least as rational and reason-based as the Enlightenment religions of Rousseau or Kant or indeed Smith's thoughts on rational religion. However, in difference to these concepts, rational religion now constitutes itself in economic terms; selectively modernizes religious thought; and importantly, it remains grounded in the Bible and the ancient religious text. Cultural concept and economic concept are no longer different, and claims to dualism between biblical religion, to one side, and ethics that we came to know as modern economics, to the other, can be revisited.

The religious significance of an economic recasting of rational religion rests with the insight that the Hebrew Bible/Old Testament is not just any text: It foundationally grounds three major world religions, the text being cherished by very many communities and societies around the globe. It feeds expressed and unexpressed religious identities that contribute to personal agency and own identity. Contemporary research on socialization processes here has identified persistence and prevalence of supposedly traditional values and religious beliefs in modern society, apparently throughout time, up to now (Preston 1979; Hill et al. 2000; Inglehart & Baker 2000; Kippenberg & Stuckrad 2003; Berlinerblau 2005; McCleary & Barro 2006a, 2006b; Roosevelt Malloch 2011; also, Hayek 1960, pp. 61-67; North 1991; Williamson 2000; Ratnapalan 2008, p. 132). The interesting question is what do traditional values and religious beliefs amount to and can we seek, selectively, the entry into modern economics when identifying rational religion. Yet, it is important to note that the paper here staked additional ethical claims for rational religion beyond religious significance: Already the *economic* identification of rational religion in the biblical text suggests ethics, following the self-understanding of economics from Smith onwards, and reflecting its mutual gains paradigm.

As far as Buchanan reckoned ideas on social ordering being present in the Hebrew Bible/Old Testament, he did so only regarding legal codes that are directly depicted in the text, such as the '[...] tablets of Moses ... providing ancient ... examples of "laws" derived from God' (Buchanan 1975, p. 13). Two points can be made here. First, Buchanan only saw constitutional ordering and institutional rules as being set out in the Hebrew Bible/Old Testament in the legalistic tradition of the Decalogue. He merely interpreted the Hebrew Bible/Old Testament as a *Gesetzesreligion* in the Mosaic tradition, as Weber (1952, p. 343) similarly did. Lacoque and Ricoeur (2003, p. 79) took this position even further. They

connected an understanding of biblical *Gesetzesreligion* to the irrational and ‘expressions of love’ only (Lacoque & Ricoeur 2003, p. 84) – but not to economic reason. Their conceptualization of Old Testament religion then moved even further away from any rational, reason-based approach to morality.

Second, as much as Buchanan refers to the Decalogue and its legal derivatives, he viewed these as being handed down by God, with humans not being involved in law-making and the choice of rules. He discerned a religiously grounded social contract that is solely organized by God – and rejected this approach, exactly for this reason; the choice of constitutional rules on the side of humans being forsaken. The vision of an autocratic *Gesetzesreligion* is then apparent. Vanberg and Buchanan (1988) or Vanberg (2014) may connect this approach to an authoritarian tradition of ordering society which merely reflected ‘compliance interests’ rather than their otherwise favored idea of ‘constitutional interests’ in choosing rules. Koselleck may raise a similar critique that human engagement and the ‘humanistic context’, which in his understanding defines modernity, was missing (Koselleck 2002, p. 160).

However, in line with interpreting the Hebrew Bible/Old Testament as a mere *Gesetzesreligion* that is focused on the Decalogue, Buchanan and those who followed similar lines of argument did not appreciate that many stories of the Hebrew Bible/Old Testament can be read as conceptual blue prints that embody principles of institutional economics within themselves. Once acknowledged, this gave rise to a different kind of religious ethics other than the narrowly legalistic one of *Gesetzesreligion*. This ethics aligns with economics, and it differently informed us, in institutional economic terms, about substance and nature of religion. Contest emerges regarding Buchanan’s skepticism and the

skepticism of others, that pre-Enlightenment literature, and the Bible in particular, has no rational vision of economics.

Buchanan's skeptical stance on the role of religion in social ordering is agreed by many; that ancient religious thought of the Bible cannot enhance our understanding of organizing modern society. The general belief is that the '[...] Scriptures, comprising the Hebrew and the Greek Testaments, do not contain what would be called modern economics' (Meeks 2014, p. 3). In this connection, Meeks (1989, 2014) restricted his understanding of economics to the Greek concept of *oikonomia*: of 'home economics' for 'household administration', not dissimilar to Agamben (2011). Constitutional and institutional economic dimensions of religion remain hidden to them. Their understandings align with concept on religion that only extends to the spiritual; or the 'pious, godly, devout', as Mueller (2009, p. 355) similarly described this. For them, institutional economics by necessity remains separated from religion.

Such modern-day underestimations of religion date back a long time, at least to the 18<sup>th</sup> and 19<sup>th</sup> century. Already Smith (1759/1976, p. 164) had separated ancient religion from reason, being convinced that they were opposed to each other: that '[...] religion, even in its rudest form, gave a sanction to the rules of morality, long before the age of artificial reasoning and philosophy.' Tylor similarly restricted his understanding of ancient religion to 'primitive culture' (Ratnapalan 2008), to the spiritual only, that '[...] rude tribes of ancient men had within them this source of happiness that they could explain to their own content the cause of things [... through] primitive childlike theory that is truly and throughout [spiritually] "Animated Nature".' (Tylor 1871, p. 184, capitalization as in original) Yet, challenging questions emerge once we trace modern economics in ancient thought: Would we be content to classify, for example with Tylor, constitutional and institutional economics

as ‘primitive childlike theory’ once discovered in the biblical text? Are moral concepts of ancient religion truly beyond modern economics?

Hayek’s (1979, pp. 160, 164; 1988, p. 9) comments on ‘tribal moral instincts’ of hunter-gatherer societies are revealing in this connection also. Hayek, similar to Tylor or Smith on this issue, approached such ‘tribal instincts’ as anti-scientific and anti-capitalistic and obviously pre-modern, these ‘[...] rebelling against the morals and institutions that capitalism requires’ (Hayek 1988, p. 9; Vanberg 2014, p. 42; also, Schelling 1968, pp. 36-39). Vanberg specified this idea of Hayek with a view to ‘subconscious learning processes’ and ‘socialization’ in ‘primordial small groups’ (Vanberg 2002, pp. 489, 496; Vanberg 2014, p. 49). The critical question then is when transition occurs: When did the tribal and naïve societies, which Smith, Tylor or Hayek point to, come to an end? When do we see institutions emerge that can, as Hayek and Vanberg suggest, support the cultural evolution of capitalism, moving society out of supposedly ‘primordial groups’ and their reliance on primitive ‘tribal moral instincts’ for ordering society.

Importantly, Hayek and Vanberg here saw the coming of new institutions that left primordial society and its supposedly primitive culture behind: They referred to them as ‘traditions’, ‘moral rules’, ‘mystical and religious beliefs’ and ‘institutions’ that may even reflect ‘ancient ways’ (Hayek 1960, pp. 61-67; 1988, pp. 29, 75, 135-) and ‘institutional traditions’ (Vanberg 2014, p. 44). In their understanding, these new institutions drove transition, led to a more civilized culture and facilitated the coming of capitalism. However, they left these new institutions – exactly like ‘primitive culture’ and primordial ‘tribal moral instincts’ – outside rationality and beyond ‘human reason’ (ibid.). Hayek (1960, p. 63) finally concluded that ‘[...] our morals are not a product but a presupposition of reason’; that ‘[...] traditional morals are not rationally justifiable’ (Hayek 1988, p. 68); and, quoting Hume, that

'[...] the rules of morality [...] are not conclusions of our reason' (Hayek 1988, p. 8). This agrees with widespread perceptions of many, as indicated throughout this paper and exemplarily discussed for Buchanan. Yet, contest emerges once we begin tracing rational religion in economic terms in the ancient text.

There is no question that the biblical text is an important contribution to our cultural evolution or to the 'process of civilization', as Vanberg (2014, p. 53) refers to cultural evolution. The paper here emphasized that the Bible can be seen to mark transition; but reason-based transition of religion when we trace economics into the ancient text. Indeed, one can suggest that an institutional economic program on rational morality, as Vanberg (1988), Vanberg and Buchanan (1988) and Vanberg and Congleton (1992) initiated this in abstract terms, already casts its shadow in the biblical text; when constitutional and institutional economic patterns of rational religion surface.

Figure 1 sums up how a rational economic concept of religion now substantively overlaps with religion and institutional economic order.

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*Insert Figure 1 about here*

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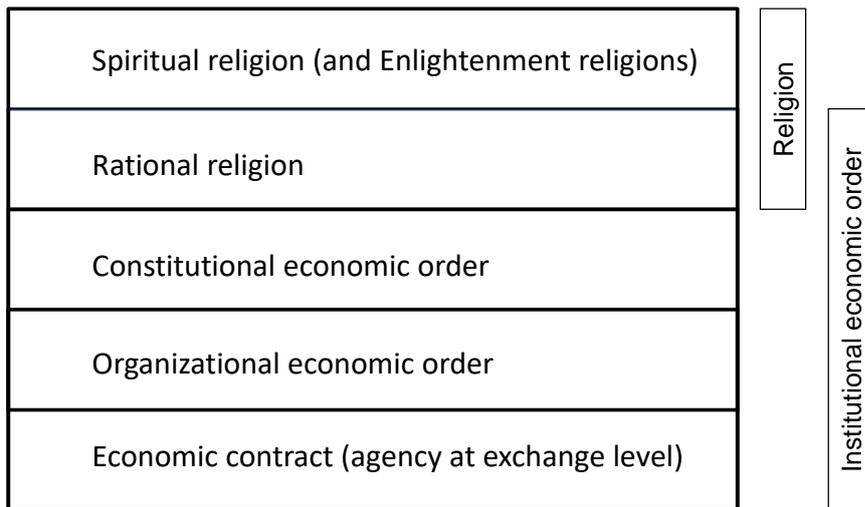


Figure 1: Nature of Institutional Economic Order

Figure 1 illustrates that institutional economics previously researched three dimensions of economic ordering – the contractual, the organizational, and the constitutional (as similarly distinguished by Buchanan 1975; North 1991; Williamson 2000). We find Smith’s ‘invisible hand’ or Hayek’s ‘marvel’ the market, at the bottom of Figure 1. However, it is apparent that this dimension is ordered by many institutions from ‘above’. Rational religion then reveals a further dimension of institutional economic ordering, which integrates the religious with the economic. In this respect, Figure 1 highlights that only spiritual religion remains outside institutional economic analysis when debating the nature and substance of religion (but not regarding transaction cost effects of spiritual religion; see above). For the Enlightenment religions a similar comment applies. Nevertheless, for rational religion, as the paper set this out, the substantive and essential dualism between religion and economics is overcome. A model of interpretation emerges that partially economizes Old Testament religion. This is different to previous research which could not resolve the separation of religion from economics. Such research could not address the question in substantively economic terms as to ‘what religion is’ (Iannaccone 1998, p. 1490).

The general neglect of this issue in the literature was commented on above. Therefore, the idea of rational religion points at new knowledge for both the study of religion and the study of economics since our understanding of the origin and nature of both Old Testament religion and economics changes when we challenge claims to dualism between the two. We may have to re-assess conceptualization strategy when researching religious influence on economy and society; whether moral rules are a matter of either analyzing only 'choice' (through a model of self-interested rational agency) or only 'culture' (through sociological models of socialization, but outside economics); or whether the two strategies need interrelating.

### **5. Contesting the separation of religion from economics: Redefining the barriers and boundaries for Modernity**

The Enlightenment is Buchanan's chosen reference point, as it is the philosophical context to which much research on interrelationships among economy, state governance and religion aligns. The target of the Enlightenment was to discard biblical religion from philosophy and science, and instead establish its own brands of rational philosophy, including reason-based religions. In this way, the Enlightenment aimed to advance its projects of modernity and secularization (Reventlow 1984, 2001, 2009; Brennan & Waterman 1994b, p. 250; Koselleck 2002, p. 160; Lacoque & Ricoeur 2003, p. 354).

Nevertheless, some critics raised the question whether contemporary society is indeed modern and secularized, or whether new analytical approach is required: 'It is [... then] unclear what model of interpretation would come "after secularization".' (Stuckrad's 2013, p. 2; similarly Hill et al. 2000, p. 59) The paper subsequently engages these debates when

critiquing the philosophical foundations on which Buchanan's analysis rests; when he separated the religious from constitutional economics.

Back in the 1960s, Fromm (1967) hinted that humankind's aspiration to 'freedom from God', as he refers to rationalization and secularization processes, had already originated in the Hebrew Bible/Old Testament. Jaspers similarly observed that '[...] there is no such thing as a modern worldview [... it] has existed for thousands of years in materialist, sensualist, and realistic thinking' (Jaspers & Bultmann 1971, p. 104, also 105-106). Jaspers put forward his argument on the modern worldview of ancient religion when critiquing Bultmann's demythologizing approach to spiritual religion. It cannot be the purpose of the current paper to intervene in the conflict between Bultmann and Jaspers regarding whether religion was mythological/irrational or modern/materialistic. Yet, a resolution attempt may well connect to what the present paper approached as rational religion. Bultmann may only be mistaken when he aims to rationalize and secularize spiritual religion (through Kantianism). On the other hand, rationalization may be more meaningful regarding reason-based aspects of religion, as Bultmann's approach to demythologization more generally hints (Jaspers & Bultmann 1971, p. 71, 78, 82; Neuenschwander 1975, p. 114-119; Bondor 2010). The significant underlying question, however, is whether such rationalization of religion is a distinctively modern-day phenomenon. Modernity, of course, has always seen itself as the driver of rationalizing both ethics and knowledge.

The paper empathizes with arguments like Fromm's or Jaspers' but develops critique differently, when questioning that modernity only came with the Enlightenment. Spiritual religion is not the target here because the concept of rational religion does not aim to economically rationalize spiritual religion in the first place. This also shields spiritual religion from economics: For those who believe, God will not be dead, as even Nietzsche agreed.

Nevertheless, for the concept of rational religion the substantive split of religion from the ‘materialistic, realistic and mundane’, as Jaspers hinted, may be difficult to maintain – and this has implications for Enlightenment philosophies and how Buchanan built on them.

The case of the Enlightenment is very special. As far as the Enlightenment left religion in its frames of reference for discussing the ordering of society, it invented its own new, reason-based religions. Rousseau’s *religion civile* or Kant’s *Vernunftreligion* are the most prominent examples, but Smith’s outline of rational religion belongs here too (see above). There is no question that their ideas yield comparatively secularized, rational-ethical religions:

Major representatives of the Enlightenment – Jean-Jacques Rousseau and Immanuel Kant – based their critiques of religion on ... [the] presumed dangerous potential of irrational religion. They wanted to limit the influence of religion but argued at the same time for retaining a *religion civile* or *Vernunftreligion* as a necessary social bond in the civil societies of future constitutional democracies. [...] Hence a good religion is in the interest of the modern secular state. (Stuckrad 2013, p. 9; also, Kippenberg & Stuckrad 2003, pp. 24-28)

Stuckrad’s reference to the role of Rousseau’s and Kant’s ‘good reason-based religions’ for organizing society and state is especially fascinating for the current paper with its focus on the role of religion in institutional ordering. Importantly, the Enlightenment religions contested spiritual religion. Kant (1793/2009), for example, dismissed religion as ‘superstitious’ and ‘mystical’; Marx similarly rejected religion as ‘superstitious’ and ‘unscientific’ (Pfaff 2011, p. 245; also, Hayek 1988, pp. 66-67). Smith (1776/1976, p. 791, 802-806) proceeded in nearly the same way, warning of ‘prejudice’ and ‘folly, superstition,

and the suspension of reason' for biblical religion (also Smith 1759/1976, pp. 164-168); as Minowitz (1993) or similarly Mueller (2013) confirmed this approach of Smith. On this ground Smith could only favor, like the Continental Enlightenment, a concept of reason-based religion that he proposed as being fully disengaged from biblical religion. In their different ways, they all agree that religion is irrational and pre-modern.

As a result, Enlightenment philosophy succeeded to background biblical religion. The Enlightenment's assumption was, as Stuckrad confirmed and, as Buchanan took this idea over, that moral rules of biblical religion merely reflect the spiritual in the sense of the irrational: the faith-based, non-secular, mythical, ancient, pre-modern and so on. For biblical religion and studies in biblical religion, the intellectual outcome was devastating:

The Bible lost its significance for philosophical thought and for the theoretical constitutional foundations of political ideals, and ethical rationalism (with a new foundation in Kant's critique) proved to be one of the forces shaping the modern period, which only now can really be said to have begun. (Reventlow 1984, p. 414; also, Reventlow 2009)

Biblical religion is dismissed as irrelevant for conceptualizing the ordering of society, as is the relevance of 'ethical-rationalism' of the Enlightenment argued for. Stuckrad further developed this stance when commenting on the relationship between religion and institutional ordering, then specifying his earlier call (Stuckrad 2013, p. 2) for models of interpretation that would come 'after secularization':

To begin with, a historical reconstruction is needed that demonstrates the impact of traditional understandings of religion on governmental policies and laws. What is regarded as the 'modern separation of Church and State' may have put simply into

legal form what Europeans have thought about religion since antiquity. (Stuckrad 2013, p. 10)

Here, Stuckrad argued for nothing less than the tracing of secularization in antiquity, when suggesting that religion never really impacted ordering and state governance in antiquity. As far as spiritual religion is concerned, Stuckrad may have a valid point. The argument of the current paper on the ancient tracing of modernity and rationalization, however, moves differently: Like Stuckrad, it sidelines spiritual religion from debate on the nature and essence of organizing society. But in contrast to Stuckrad, the paper agreed that Old Testament religion – approached as rational religion – has been aligned in economic terms, since ancient times, with political economic concept and ideals on societal ordering. The paper negotiated this thesis through reconstructing Buchanan-type economics for the ancient texts of the Bible.

Therefore, we can modify Stuckrad's thesis that religion and the ordering of society and state were already separated in ancient times. For the concept of rational religion, and how this concept can be seen to connect with constitutional and institutional economics, this becomes highly questionable. Indeed, rational religion does not portray the separation of religion and societal ordering when we admit to both its religious and its institutional economic significance. From here, we arrive at a more nuanced understanding as to what comes 'after secularization' (Stuckrad 2013, p. 2): We can see rational religion emerge that reaches out to both Old Testament religion and modern institutional and constitutional economics – but importantly, connects back to ancient times. This agrees Jaspers' or Fromm's early insights in institutional economic terms: that ancient religion may already reveal a rational dimension of morality.

So much more could now be said about the 'rules of morality' and their relationship with religion. For example, as noted, Smith (1759/1976, p. 164) was in this respect convinced that the rules of ancient religion were beyond reason:

Religion gave a sanction to the rules of morality, long before the age of artificial reasoning and philosophy. That the terrors of religion should thus enforce the natural sense of duty, was too much importance to the happiness of mankind for nature to leave it dependent upon the slowness and uncertainty of philosophical researches.

Similarly argued Hayek, as touched upon above: 'The religious view that morals were determined by processes incomprehensible to us may at any rate be truer [...] than the rationalist delusion that man, by exercising his intelligence, invented morals that gave him the power to achieve more than he could ever foresee.' (Hayek 1988, p. 137) Views like these on the irrelevance of biblical religion for understanding societal ordering in rational terms have guided much social research, from Rousseau, Kant and Marx onwards. It is classic Enlightenment, as it is classic Smith, Buchanan or Hayek; and as it has found expression in much religious and theological philosophy, as reviewed throughout this paper (exemplary are Reventlow 1984, 2001, 2009; Stuckrad 2013, but also Tylor 1871; Weber 1903; Demant 1952; Preston 1979; Novak 1982; Minowitz 1993; Mueller 2009, 2013; Agamben 2011). Equally, this understanding found its way into debates of institutional economics and morality (e.g. Baurmann and Kliemt 1995; Frey 1997; Hamlin 2014) and how this research built on Enlightenment philosophy and their reason-based religions. The practical recommendation then can only be, re-affirming the Enlightenment's or Smith's or Buchanan's skepticism, '[...] to complete the Enlightenment agenda [...] and totally separate

support for organized [traditional] religions' for ordering society and state (Mueller 2013, p. 17; also *ibid.*, pp. 416-417).

However, what Continental Enlightenment, Scottish Enlightenment, religious philosophy or more recent research in the economics of religion underestimated was that Old Testament religion engages a reason-based and rational economic concept of religion. Already this religion can be seen to portray, what Stuckrad terms in his analysis of Rousseau and Kant, a 'good [reason-based, science-based] religion' – but one that reveals an institutional economic dimension. Rational religion then marks out moral foundations of societal ordering in a reason-based manner, and possibly even more so than a *religion civile* or *Vernunftreligion* could ever aspire to. This concept substantively continues not only Smith's call for rational religion but also Smith's classic vision of economics as ethics, which organizes a mutual gains program for society. Consequently, this argument turns Enlightenment approaches, including Smith; as it turns Buchanan and how he built on Enlightenment philosophy, when he generally discarded religion.

We can now question Buchanan and those who argued the view that modernity only came with the Enlightenment. The paper attested that the conceptual seeds of capitalist societies, how they organize society, economy and state, are anticipated in economic terms in the biblical text. At least selectively, modernity and rationalization then begin in antiquity when we add rational religion into an institutional economic frame of reference.

## **6. Conclusion**

Buchanan split religion from constitutional economics. This separation, however, was not invented by him. He followed established conventions that underpinned Continental

Enlightenment or Scottish Enlightenment, when from the 18<sup>th</sup> century onwards they began to discard biblical religion from their frames of reference. They replaced biblical religion with their own brands of rational ethics and reason-based religions. Even Smith, as much as he developed economics as the new concept of rational ethics, which followed the mutual gains paradigm, left his outline of 'rational religion' in substance and nature separated from both economics and Bible. He could not contest any substantive dualism between religion and economics in general, and between biblical religion and economics in particular.

More recently, this dualism between religion and economics has been re-affirmed by religious philosophy, economic theology and the various branches of research that grew out of the economics of religion. Despite the considerable body of research that came with them, in substance and nature, religion and economics remained divided. As far as they challenged the idea that religion and economics were different, they focused on governance facilitating or transaction cost saving features of religion, or human capital features of spiritual religious concept. The essential dualism between religion and economics was not contested. This research still agrees with Buchanan's suggestion, and the belief of many others that ancient philosophy, including Bible, has no understanding of modern economics.

Focusing on Buchanan's studies, the paper qualified this skepticism. It challenged the non-economic nature, lacking modernity and lacking rationality of Old Testament-based religion. It did so by engaging research that successfully traced institutional and constitutional economic concept in the biblical text. Admitting to the religious significance that the biblical text carries, we still meet a concept of religion, when reconstructing economics from the ancient text. This concept of religion the paper analyzed as 'rational religion'. It reflects a substantively economic dimension of Old Testament religion, pointing

at modern and rational patterns of constitutional and institutional economic thought in ancient morality.

Unavoidably, when tracing economics in Old Testament religion, the paper circled approach like Weber's search for spiritually religious but non-economic elements that are thought to support economy, that '[...] the fabric of our economic lives [is] embedded in a multitude of social [religious] forces that are often outside the perspective of our economic models' (Stackhouse 2014, p. 331; similarly, Preston 1979; Novak 1982; Roosevelt Maloch 2011). The paper brought such 'religious forces' back into economic approach and assessed implications. This gave rise to the question what kind of religion we are substantively debating: Is it still spiritual religion or a rational economic concept of religion, which in substance and nature constitutes itself in economics.

On these grounds, we can address anew the question of Brennan and Waterman (1994a, 1994b) whether religion and economics are different, and debate their answers, which mirror similar conclusions of Buchanan, that '... traditional economics and Christianity [biblical religion] offer rival accounts of human rationality' (Brennan and Waterman 1994b, p. 253). We can better understand observations such as Mueller's (2013, p. 5) that even after the Enlightenment '... a funny thing happened on the way to the separation of Church and State [as the Enlightenment argued for] – it did not happen.' Mueller then traced for many countries continuing institutional links between Church and State after the Enlightenment, and even so in supposedly comparatively atheist societies of the West, like some Scandinavian countries (Mueller 2013, p. 8-9). Fox (2011, pp. 396-397) similarly concluded on this matter '... that most states, even those which declare in their constitutions that they are secular or follow separationist policy, do not follow these policies.' The current paper would not necessarily expect full separation, when attesting to

the relevance of a rationally economic dimension of religion that culturally supports institutional ordering.

Fundamental challenges then arise to the dualistic conception of religion and economics. The paper pointed at probing questions at the intersection of religious, economic and biblical studies: Must the allegedly secular (Western) world then take the Bible seriously (Berlinerblau 2005)? What could ‘... the political foundations of religious texts’ amount to (Parker 1992, p. 126; similarly, Wybrow 1992, p. 40; Parker 2004)? What is the very ‘substance of religion’ in economic terms (Iannaccone 1998, p. 1490)? ‘Where does culture draw the criterion of politicality?’ (Agamben 2011, p. 259); even of economic politicality, one could further question here? ‘What model of interpretation would come after secularization’ (Stuckrad 2013, p. 2)? Why did Church and State, even in the West, never really separate (Mueller 2013, p. 5)? The paper pointed at answers by adding rational religion into a framework that inquires the relationship between religion and economics. The larger question that looms is, as raised by Brennan and Waterman (1994a, 1994b), whether religion and economics are different, whether we still find dualism between the two.

In this connection, the inquiries of North (1991) and Williamson (2000) are uniquely special since they asked about the pervasiveness and persistence of religious institutions throughout time, and how their influence on institutional ordering has spilled over into contemporary society:

Institutions at this level [religion] change very slowly – on the order of centuries or millennia – whereupon Douglass North poses the query, ‘What is it about informal [religious] constraints that gives them such a pervasive influence upon the long-run

character of economies?’ (1991, p. 111) North does not have an answer to that perplexing question, nor do I. (Williamson 2000, p. 596)

The answer implied by the present paper is commercial ideology: that the pervasive and persistent ‘long-run character of economies’, as it manifests itself at lower ‘levels’ of institutional economic ordering (constitutional order; organizational order of the firm; contractual exchange), is already marked out in an economic dimension of religion when we meet rational religion. Following this line of inquiry, it is difficult to substantively separate religion from economic concept, as it becomes problematic to divide the modern from the pre-modern and ancient. These dualisms become critical.

From the outset, the paper agreed that modern societies and their economies are culturally constituted and stabilized. Yet, as the paper approached the search for the religious constitution of society and economy, it found that our search for culture may well lead back into economics rather than exclusively remain within socio-psychological or sociological approach: That culture – in the case of the present paper: religion – in its essence and nature mirrors a rational economic dimension. It may then turn out that answers to questions of the economic origins of Old Testament religion, markets and state governance interrelate and coincide. Further implications will arise when we begin to ask how such fusion of the cultural and the political economic has affected the creation and maintenance of commercial ideologies in society over time, at least since ancient biblical times. We can address anew the call that ‘... [s]ocial action in modern societies is highly structured by institutionalized rules. These rules take the form of cultural theories, ideologies, and prescriptions about how societies work or should work to attain collective purposes’ (Meyer, Boli & Thomas 1994, p. 9).

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