

A few weeks ago, [I posted on religion on the environment](#), expressing some skepticism that religion could be useful in environmental policy debates. After thinking about it a bit, I've revised that view somewhat, for a reason that can actually be encapsulated pretty succinctly:

***Religion is not economics.***

That's pretty obvious, of course, but it also demonstrates religious thought's potential utility in considering policy debates. Since the Reagan era, those have been dominated by economics, and that is hardly all to the bad. But it has left the discourse impoverished. Religious thought can assist in these debates, taking into account the large assumption that one accepts the religion. But since it is impossible to decide policy questions without appealing to value, that goes with the territory.

Consider, for example, the issue of whether regulations or statutes should pass some sort of cost-benefit test. The obvious question is what do we mean by costs and benefits. For economists, these are purely economic costs and benefits, i.e. what people would pay for it. Religious thought for the most part rejects this sort of value assumption. More importantly, at its best — which, like any value system, it is not always at — religion provides a framework and a set of authorities for considering other values.

To put it most bluntly, most religions would not care if economic analysis shows overwhelming consumer demand for a brothel. But they might also be unconcerned if economic analysis shows overwhelming consumer demand for a Wal-Mart. They might accept it, but they would not be swayed by the demonstration of efficiency gains. And if they were not swayed, they could probably provide rich and reasoned justifications based upon a coherent value system for preferring something else.

Similarly, consider the issues of intergenerational justice, which are inherent in the question of discounting and climate change. Economists might say that we can discount sharply because we will be monetarily wealthier in future generations. But again, for the most part, religious thought rejects these assumptions: it cautions against assuming that future generations will be wealthier than ours, and will at least want to examine whether it is just to take certain decisions (e.g. whether to let Venice be submerged into the Adriatic) away from those generations. This certainly does not mean that "religion" would adopt the Precautionary Principle; many religions will not. It only is to say that religion will take a point of view quite different about the ethics of discounting than will standard economics.

Finally, consider the basic economic model of human behavior: homo economics, the

rational utility-maximizer, or, as Sunstein and Thaler call them, *econs*. Religions have devoted a lot of thought to the question of human nature: I know of none that adopt the economic viewpoint. Instead, they have their own notions, whether they be traditional Christianity's Original Sin, Quakerism's Inner Light, Judaism's Good and Evil Inclinations, or even the rejection of *any* human nature in some forms of Buddhism.

Put another way, the Cato Institute's Arnold Kling [has distinguished](#) between "sweetwater economists" (i.e. those from Chicago or Rochester) and "saltwater economists" (i.e. those from Yale, Harvard, or Berkeley). What's the difference? "For Chicago-trained professors," Kling observes, "economics *is* the study of rational behavior." Saltwater economists, on the other hand, "believe that examples of irrational behavior and imperfect markets are interesting and important."

I am not saying that religious thinkers will be saltwater economists: indeed, some religions might believe that people are rational, even if it is bad. (That's why one has to control them.). But I do think that many strains of religious thought contain very rich veins of philosophy that emphasize human frailty, self-deception, ignorance, and irrationality — and that real-world consequences flow from this. Throughout the Bible we learn that God rewards the good and punishes the wicked — and that nevertheless people are stiff-necked and reject the obvious and clear path to redemption. That's a saltwater principle if there is one.

In short, then, religious traditions can promote thoroughgoing and internally coherent (if not always consistent) theories of value that represent a sharp departure from the modern economic thought that dominates policy debates. In this sense, at least, they can add a lot. The problem is that for the most part, they have not yet done so. But that's for a different post.