

# The Secular Religions of Progress

*Robert H. Nelson*

Economics has never been, nor could it ever be, free of value judgments. The economy is not isolated from the rest of society, cordoned off from the lively world of competing beliefs. Rather, questions of the organization of the economy, and of the economic policies to be pursued, are interwoven with other social concerns and public policy in general. Economists often lose sight of the altogether interconnected nature of the economic and the non-economic. The illusion of neutrality is reinforced by the radical simplification that often characterizes economic methods; in striving to make economic problems tractable for mathematical representation, inherent ethical considerations are obscured.

Some of the greatest economists of earlier eras, like Adam Smith and John Stuart Mill, regarded themselves as moral philosophers, as analysts of the moral foundations of society. Few contemporary economists see themselves in such a light. If they do take moral considerations into account, it is typically as parameters for subsequent economic analysis.

As a result, the powerful normative elements of economics tend to be driven underground. Economists today become *implicit* moral philosophers, a point the University of Illinois economist Deirdre McCloskey often emphasizes. Most economists, for example, regard economic growth as a main goal of the economic system, and seek to assess the desirability of public policies by the extent to which they are efficient or inefficient toward that end. Whether growth should itself be a paramount objective, and whether efficiency should therefore play such a critical role in distinguishing between good and bad policy, typically receives little sustained attention among mainstream economists, with few exceptions (such as Herman Daly in his 1996 book *Beyond Growth*).

Economic growth is actually a relatively recent term for a phenomenon that was once called “progress.” The creation of the American economics profession began with the founding of the American Economic Association in 1885 and was a product of the Progressive Era. Progressives believed

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that scientific experts, including professional economists, should engineer society toward a better future. But moral and economic crises in the 1930s and 1940s called into question the Progressives' basic methods and aspirations, giving reason to leave behind the morally freighted language of "progress." By the second half of the twentieth century, historians increasingly characterized the thought of the Progressive Era in such terms as "the gospel of efficiency." A new greater emphasis on technical economic efficiency, along with the closely related concept of growth, recast progress in more scientific and mathematical, and less emotionally and ideologically weighted, language. But the terminological substitution of "growth" for "progress" makes little difference. The case for economic growth is largely indistinguishable from the case for economic progress; both are ultimately deeply normative.

But why is progress, or growth, desirable? Progress means improvement, and so its desirability is in a sense tautological, but economic growth is thought of specifically as the increase in material outputs—the maximization of the production and consumption of goods and services. To understand why this goal is considered desirable today, we must look back over the major economic theories of modernity. Although the survey that follows will sometimes paint in very broad strokes, it will show just how strongly these economic theories draw on moral philosophy and especially on religious thought. Some theories could even be said to constitute secular religions in their own right, implying "theologies" of evil and of the human condition, of redemption, and ultimately of a final paradise, which we achieve through economic growth.

### **The Economist as a Moral Philosopher**

Adam Smith was a pivotal figure in the transition from traditional Christianity to secular religion. In Smith's *Theory of Moral Sentiments* (1759), there is, as University of Chicago economist Jacob Viner keenly observed, "an unqualified doctrine of a harmonious order of nature, under divine guidance, which promotes the welfare of man through the operation of his individual propensities." In Smith's later work *The Wealth of Nations* (1776), he was less forthcoming about the divine ordering of nature, but the underlying moral philosophy was fundamentally similar.

The term "natural" recurs throughout *The Wealth of Nations* as a normative basis for judgments on economic processes and outcomes. "Natural" means the natural order of the world, as established by God, which we fallen human beings can only imperfectly understand but to

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which we should strive to conform as best we can. Smith could express his conception of economic processes as a divine natural harmony largely in secular terms, drawing on the Newtonian understanding of the universe as a complex mechanism put in motion by God. Much as gravity was the force that maintained order for Newton in the physical universe, self-interest holds up both moral and economic order for Smith.

*The Wealth of Nations* was thus a new development in secular religion, ultimately grounded in the natural law theology that had long been prominent especially in the Catholic tradition. In Smith, it was combined with a Calvinist sense of the human condition as deeply corrupted. But even though most human beings were frail and foolish, pursuing their own interests without regard to the needs of the wider community, God had benevolently arranged for society to thrive and advance toward its greater welfare.

Smith was writing for a world in which Christian values suffused every area of society. As secularism increased in the centuries that followed, the advancement of these values would come to depend on separating them from traditional religion and its historic institutions, while instead embedding them—even if thereby distorting them—in various forms of secular religion. By mostly omitting explicit references to a Christian God, *The Wealth of Nations*, with its newly secularized account of a divine balance of natural forces in society, was in an ideal position to become a major influence on future economists.

Among twentieth-century economists, the University of Chicago's Frank Knight was the closest to Smith as a moral philosopher. Knight was a key figure in founding the "Chicago school of economics," which typically advocated the organization of society along free-market lines. After Knight, however, few Chicago economists wrote about the market in explicitly moral and religious terms, although the moral and religious elements maintained a powerful implicit presence.

### **The Greatest Good**

Jeremy Bentham, a younger contemporary of Smith, developed a very different moral philosophy. Whereas Smith helped put the Western natural law tradition on a secular footing, Bentham famously described the idea of natural rights as "nonsense upon stilts." The notion that there were laws of nature governing human affairs seemed ludicrous to him; rather, Bentham argued, human life is ordered by social conventions that are shaped by the forces of pleasure and pain.

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For Bentham, the supreme goal of the moral philosopher is to discover which conventions maximize the happiness (understood in hedonistic terms) of the greatest number of people and thereby to judge the utility—that is to say, in his terms the ethical status—of any action. Inspired by the rise of the natural sciences, Bentham saw his utilitarian theories as part of a new scientific understanding of the sources of happiness in society. By putting the social sciences to work, rapid progress in society, including in the economic realm, would soon yield much greater overall personal happiness and collective wellbeing.

By defining ultimate objectives in strictly human terms, Bentham took a large step toward atheistic moral philosophy. While Smith invoked the guiding hand of a deity, for Bentham the future of mankind lay directly in human hands. As secularism continued to rise in the eighteenth century, the true source of human misbehavior—of “evil” in the classical Christian formulation—was seen by Enlightenment thinkers increasingly in environmental terms (here using the word “environment” not in its ecological sense but in its more general sense). Human beings were not innately bad owing to a moral fall in the distant past; instead, harmful environments made people bad. This notion introduced a hope that would become a central element of secular religion: improving the quality of the environment would naturally lead to an improvement in the quality of human lives. The world would be a far happier place and individual people much less likely to cheat, steal, or commit other immoral acts. With the economy as the newly decisive environmental factor, economics seemingly could save the world.

Bentham’s utilitarian moral philosophy provided the grounds for a host of social reforms in nineteenth-century England, many of which Bentham successfully pushed for himself. If Smith was an advocate of individual market freedom, Bentham’s utilitarianism was a precursor to modern democratic socialism, applied as the foundation for a science of affirmative governance. Even today, the standard forms of economic analysis are framed in utilitarian terms ultimately derived from Bentham and his greatest disciple, John Stuart Mill. Economic growth is central to such conceptions, not as the objective in itself, but as a necessary means to maximum total consumption—and thus to a society’s greatest welfare.

Twentieth-century economics adopted a revised version of Bentham’s utilitarianism, no longer arguing that the level of happiness itself is scientifically explainable or measurable, but focusing instead on the fact that human beings identify various material outcomes as preferable to others. Economists still followed after Bentham, however, in thinking that the study of individual behavior can and should be a matter for science, that

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the real basis for individual happiness lies in consumption of goods and services, and that the comprehensive application of economic knowledge (with that of other social sciences) would lead to maximum happiness, the ultimate goal of society.

### **Positivism and the Religion of Humanity**

In the first half of the nineteenth century, another school of economic and political thought arose that pushed toward the creation of what was, quite literally, a secular religion. The French positivists, led by Henri de Saint-Simon and Auguste Comte, again believed that social science would achieve a comprehensive scientific understanding of human affairs. As social science was perfected, a much more effective management of society, and thereby of its productive machinery, would increasingly become feasible.

This optimistic hope for man's ability to engineer the economy echoes an element of Smith's theory: the systematic application of science would solve the problems of society. And like Bentham, the French positivists believed that government would be able to put the new scientific understanding of society to work for the perfection of the human condition.

Moreover, the positivists shared with Bentham the belief that traditional deities and religions are simply myths or fictions. In their place, the positivists envisioned a new secular "religion of humanity," one based on social and physical science. Saint-Simon dreamed of temples dedicated to Newton, while Comte came to think of himself as the Pope of the new religion of humanity. The high priests of French positivism were the economists and engineers.

The American Progressive movement at the end of the nineteenth century and the start of the twentieth drew much of its inspiration from the moral philosophy of French positivism. The Progressives shared the positivists' commitment to the management and governance of society by its scientific experts, now to be produced in large numbers by the modern American university with its newly professionalized structures of learning. The Progressives also held a negative view of ordinary politics as a frequently backward and harmful influence that should as much as possible be excluded from the governing processes of the economy; economic growth, rather than politics, would be the font of both material gain and moral progress. The Progressives' materialistic dogmas and their doctrines of economic determinism saw all of history as fundamentally driven by economic events.

The twentieth-century British economist John Maynard Keynes shared this moral philosophy in significant part, but he differed in one

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key respect. Rather than implementing scientific management directly through governmental actions—the path of socialism—Keynes believed that the progressive goals of society should instead be achieved by the management of the workings of the marketplace—the market “mechanism,” to use the revealing term popularized by Paul Samuelson. By discovering the “laws” of the market, economic theorists could lay the same kind of foundation for economic and social engineering that the laws of physics establish for building bridges. This positivistic vision of science as a means to achieve progress is still a key part of the self-image of mainstream economists, a reflection of American progressive values derived originally from the secular religion of French positivism.

With the emphasis on efficient maximization of economic production, the positivist moral philosophy makes economic growth a central objective. But its ultimate concern is the scientific management of society. If the social order is designed, operated, and maintained according to the impersonal dictates of objective scientific knowledge, it will wipe away the many social conflicts that flow from our longstanding ignorance of how society really works. Of course, this social reordering would first entail citizens’ acceptance of the comprehensive direction of scientific experts—a transformation in our political system that would likely require a religious revolution of the sort that the positivists, with their secular religion of humanity, thought desirable and necessary.

### **Utopia and Revolution**

In Europe and North America, the nineteenth century saw an astonishing surge of material productivity. Applications were found for newly acquired scientific knowledge, giving mankind comprehensive technological powers. Advances in physics and chemistry, engineering and electric power, transportation and communication, and many other areas beside led to an explosion of economic growth. Standards of living rose and some intellectuals came to believe that dire poverty, and perhaps even *all* material scarcity, could fairly soon be abolished, thus eliminating the basis for all the many past ills of society. The scientific laws of economic history—guaranteeing continued growth until it was no longer needed—could take the place of traditional divine ordinances. This was the vision of the progressive utopians.

Among the first of the progressive utopians was Karl Marx (although he was idiosyncratic in many ways, and early in his career had mocked an older generation of socialists for being too impractically utopian). The

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defining feature of progress for Marx was the historical struggle between the haves and the have-nots by which the latter perennially challenge and fight back against exploitation by the former. Capitalism had heightened the tension between the classes, Marx thought, and it had “alienated” human beings from their work, from the products of their labor, and even from themselves—a secular version of the corrupted condition of the Fall of Man in the Garden. The ideal state—a communist state—would finally become possible once the unpropertied proletariat had completely prevailed and established its own rule by means of a worldwide revolution. Making it all possible would be the looming end of scarcity—Marx even saw capitalism as a necessary, but only temporary, part of this final advance—that would do away with the intense economic conflicts caused by material shortage.

It is not much of an exaggeration to say that Marx’s apocalyptic vision is reminiscent of the Book of Revelation and the arrival of God’s kingdom through the final overthrow of evil. The communist revolution would end human history and mark the beginning of paradise on earth. Marx proclaimed that his result was scientifically determined, that traditional religion was the “opium of the people,” and that he had finally revealed through economics the true explanations for all of human history. In a word, he offered a new economic religion.

Hundreds of millions of people believed Marx, making him a central figure in the history of the twentieth century. Although Marxists usually professed their atheism, they were obviously susceptible to the pull of a great religious cause. The parallels between Marxism and Christianity may have helped Marxism appeal to so many in a modern “secular” world still apparently starved for deeper religious meaning. Among the moral philosophies of economics, it was the work of Adam Smith and Karl Marx that most directly borrowed from and most closely reflected Christian messages (although of course with very different emphases). So it may be no coincidence that Smith’s capitalism and Marx’s communism have had a greater impact in the modern age than any of the other economic philosophies.

Marxism’s apocalyptic route to salvation makes it distinctive, but some of its core tenets, including the notion that a new world of complete material abundance will eliminate the presence of evil, were shared by the other utopian progressives—and even underlay the early development of economics as a profession in the United States. Influential in this regard was the Social Gospel movement, which celebrated the recent great advances in economic productivity while condemning the self-interested

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mentality and social inequality advanced by capitalist economics. In focusing on economic outcomes, social gospelers shifted their religious hopes from the achievement of a future heaven in the hereafter to a new heaven on earth. When the newly founded American Economic Association published its first membership list in 1886, 23 of the 181 members were ministers, many with close ties to the Social Gospel movement. Richard Ely, the entrepreneurial economist who led the establishment of the AEA and served as the group's first secretary and third president, also had close ties to the social gospelers. Ely's thoroughgoing utopian progressivism had its roots in his Christian faith: he believed that the transcendent purpose of professional economics was to provide the necessary base of expert economic knowledge to sustain "a never-ceasing attack on every wrong institution, until the earth becomes a new earth, and all its cities, cities of God."

For the American progressive utopians, unlike for Marx, this earthly perfection of the human condition would be achieved gradually and incrementally, by the steady accumulation of economic knowledge and its continuing application. By analogy to Christian eschatology, Marx might be described as a premillenarian, expecting peace after a single apocalyptic event, while most progressive utopians such as Ely would be postmillenarians, seeing gradual success of good against evil—of efficiency steadily prevailing over inefficiency—as the path to the kingdom.

Ely himself would eventually drop most of the explicit references to God from his economic writings, recognizing that they were not necessary to the human perfection of the world—thus further secularizing his economic religion. But the essential vision remained: With the eventual creation of a world of material abundance, guided by the application of expert economic knowledge, a radical improvement not only in the material but also in the moral circumstances of society would be guaranteed.

Ely's successors would continue to emphasize the moral significance of economic progress. Keynes, for instance, was very articulate in describing the link between material and moral success. In his eloquent 1930 essay "Economic Possibilities for our Grandchildren," Keynes predicts that in "days not so very remote" we will enjoy "the greatest change which has ever occurred in the material environment of life for human beings in the aggregate." This "destination of economic bliss" will completely transform society: "the nature of one's duty to one's neighbor" will change, and we will finally be "able to rid ourselves of many of the pseudo-moral principles which have hag-ridden us" and blighted so many lives since time immemorial.



Inspired by Marx's vision, and by progressive utopianism more generally, this kind of optimistic economic determinism shaped much of twentieth-century economic thought. For true-believing economists, ideas—especially religious ideas—were mostly just superficial appendages to the economic forces that really drive history.

### **The Environmental Challenge to Growth**

The dark shadows of the twentieth century—two world wars, the prospect of nuclear annihilation, ecological degradation—suggested the possibility that the human race conceivably could even extinguish itself. If the progressive utopians and the Marxists believed we would inevitably see heaven on earth, one of the most influential economic philosophies of the last half century has suggested the opposite: that we might be rushing toward hell on earth instead. This idea, that economic progress is destroying significant parts of the plant and animal kingdoms and even threatens human existence, is the essence of the secular religion called environmentalism.

On a wide range of policy debates—from the fight over DDT to the crusade against nuclear power, from the alarms about the “population bomb” to the grim tidings about climate change—environmentalism has proclaimed that the scientific knowledge on which we have founded our project of economic growth is not an unqualified good. The progressive goal of the human mastery of both nature and society might be a dangerous delusion; collective human efforts to assert such mastery might well turn out to be more harmful than beneficial. Many environmentalists hold special scorn for the economists who confidently promote growth as our highest goal; one environmentalist academic, Georgia Tech philosophy professor Bryan Norton, even penned an article in 1991 on the good reasons “why environmentalists hate mainstream economists.”

Despite the professed distance between environmentalists and the secular religions of progress, environmentalism nevertheless has something important in common with them: some of its messages are similar to, and even sometimes draw inspiration from, Judeo-Christian themes (and more loosely from various Eastern religions and philosophies). Environmentalists warn that, in our drive to assert complete mastery over nature, human beings are “playing God” with the world. Implicit in much environmental rhetoric is a kind of mythic belief that, in an era long past, humanity lived in peaceful union with nature—a notion strikingly reminiscent of the Garden of Eden. Moreover, environmentalists condemn our modern wasteful consumerism as a kind of worship of false idols.

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In the Hebrew scriptures, God's punishments for those who repeatedly and obstinately violate His instructions sometimes take the form of floods, droughts, famines, pestilence, and other environmental calamities. Similarly—the comparison is superficial but instructive—environmentalists now warn moralistically that a warming climate will bring rising seas, spreading malaria, severe shortages of food, and more destructive hurricanes, all on a truly Biblical scale. If the work of Marx can be said to parallel Revelation, contemporary environmentalism exhibits parallels to Deuteronomy and the other prophetic books in which failure to adhere to God's law and mistreatment of the land result in divinely wreaked devastation.

There is, moreover, a deeply ascetic side to contemporary environmentalism. Its strongest supporters share the pessimistic view of human nature most characteristic of Calvinism: our depravity, especially our pride and greed, if given free rein, will result in the ruination of soil and society. The continual accumulation of goods and services is seen, not as the path to greater individual and social happiness, but as a destruction of virtuous, simple living. The effects of unbridled economic growth on cities and on the land warrant a call for frugality in place of economic growth.

One could even argue that environmentalism holds out hope for a kind of quasi-religious salvation. If we follow the teachings of the environmentalists, repent from our wasteful and greedy ways, and adopt the practices they recommend like using green energy, recycling waste, and limiting our diets to sustainable food grown organically and locally, we will be able to return to a state of Edenic harmony with the natural world. (For more on this theme, see Joel Garreau's essay "Environmentalism as Religion" in the Summer 2010 issue of this journal.)

Most economists are ill equipped to address the concerns of environmentalists. When they do address them, it is typically in traditional progressive economic terms. They fail to recognize that environmentalism fundamentally challenges the very idea of economic growth and progress—a notion so deeply engrained in professional economics that it is difficult to bring to the fore, let alone question. Economists have faced similar challenges before, often from Christian critics of consumerism and other aspects of capitalism. Now, however, the challenges are coming from an ostensibly secular system of belief.

### **Faith in Progress**

The general lack of attention in mainstream economics to issues of moral philosophy limits economists' recognition of the central role that

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a powerful progressive value system plays in their own field, not only in making policy recommendations but in underpinning the core methods of economic analysis. With very few exceptions—such as Harvard’s Benjamin M. Friedman, author of the 2005 book *The Moral Consequences of Economic Growth*—economists seldom compare the benefits of economic growth with the costs, usually assuming automatically that the former outweigh the latter.

But growth radically transforms society—and not always for the better. Economic gains often come hand in hand with personal, social, cultural, and environmental losses that economists too easily ignore; it is simpler to make judgments about what is economically beneficial based on quantifiable factors and impersonal market mechanisms. Consider trade with China. It has no doubt helped to increase total available goods and services in the United States and has produced large material benefits in China too. But it has thrown many American workers out of their jobs and undermined the vitality of many U.S. communities. How can we say that the social gains of U.S. trade with China are greater than the social costs? Many economists find it easy to answer this question, assuming that economic progress, given its necessarily transcendent importance over any social costs incurred, must always be worth it.

This, however, is not a scientific conclusion but rather one based on a secular-religious faith in the absolute value of economic growth and efficiency. Few if any economists have sought to do a truly comprehensive cost-benefit analysis of trade with China—one in which the costs have included the psychic demoralization of workers who have lost their jobs and of owners whose businesses have failed, and the transitional costs (not just economic but again, psychic) associated with the disruption of workers having to move their families from one community to another. These hidden costs are not easy to measure, but that does not mean they are unimportant, and it is only a blinding devotion to growth that obscures them from economic analysis.

Moreover, economic estimates and projections of growth frequently leave out short-term costs, the stresses and strains that arise in the process of creative destruction, while focusing entirely on the long term. The range of short-run costs that economic analyses normally ignore includes not just the financial and psychic losses when a worker loses a job, but also the loss of community when the market renders a negative verdict on the mainstays of a local economy; the loss of homes, streets, farms, and other historic treasures; the transformation of plant and animal habitats into resources for exploitation; the weakening of communal

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bonds; the feelings of personal powerlessness when private organizations are the efficiency winners in the market, leaving many people to work as small parts in large and often impersonal bureaucratic enterprises; and the diminishment of personal freedom associated with the kind of government regulation and taxation put in place to sustain and promote economic activity. There is also the sense that some assets or activities are devalued by the very fact of entering them into the price system as goods and services—the commodification of human reproduction, for instance. (In a few cases, such as prostitution, government intervenes to limit the devaluing consequences of commodification, but these are the exceptions that prove the rule.)

Admittedly, it would be impossible to assign monetary values to many of these costs. But the more fundamental issue is that economic analyses systematically and deliberately leave them out of consideration, focusing instead on achieving the path of the maximum growth of the economy, the path to heaven on earth. If one were able to account for the costs in every dimension associated with gains in economic progress and efficiency, we might find that the gains are not always worth the costs.

In parts of the world that are less developed than the United States—in countries like Cambodia or Haiti, for example—it is not difficult to make a strong argument for both the material and moral benefits of economic growth. But what about in the United States today? Perhaps a century ago the countless beneficial social transformations that recent economic development had produced might have offered strong grounds for holding to the faith that growth is a paramount good. But in the twenty-first century, the case for unlimited growth in already economically developed countries may have become less obvious. Why, then, does it remain such a central goal in American politics? To some extent it may be a matter of inertia: we have all agreed about the need for growth for so long, even in the midst of our disagreements about capitalism versus socialism—which can be seen as disagreements about how best to achieve growth—that we cannot easily refocus our politics on some other fundamental good. Also, the growth agenda has played a unifying role in American culture. A nation as large as the United States needs a “civil religion” to hold it together, as the late Robert Bellah argued. Although its hold has been weakening, the American civil religion still assigns a central role to the importance of economic growth. Absent a good substitute, it might be dangerous to give up on so central a part of the American faith.

Of course, a moral argument can still easily be made for progress in such areas as human health. But an argument for advancing medicine

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and improving health care is not an argument for general economic progress, but rather for devoting more of our society's resources to the health sector. And more practically, growth seems the only way we have at present of dealing with the problem of unemployment. Theoretically, in times of insufficient total aggregate demand, there could be a cooperative agreement in society that each working person should reduce his or her workforce participation by a sufficient amount to allow every person to be employed. But this would entail, to put it mildly, immense political and practical difficulties. So growth may be all we currently have as a unifying solution that can deal with unemployment.

What are the alternatives to growth? What could replace the secular religions of progress? The leading challenge to our faith in growth, the environmental movement, is only a few decades old. Moreover, environmentalists' critique of progressive economic utopianism and other forms of economic religion is often more impressive than their positive vision for the future. It is not hard to imagine that the alternatives to growth espoused by the environmentalists, such as a static or even retracting economy, might carry along with it a civilizational ennui or enervation.

Looking beyond the economic progressivism that has played such a large role in American history, it may be that rather than the elimination of material scarcity, the central theme of our future civil religion should be the maintenance of human freedom. Such an approach could draw on ideas that Adam Smith articulated but that were de-emphasized in some of the subsequent economic moral philosophies. Whatever economic model we subscribe to, we would do well to acknowledge its religious qualities—the extent to which it affects our understanding of the human condition, of how good ought to overcome evil, and even of our eschatological hopes. Professional economists in particular should learn to recognize and make explicit that their commitments to economic systems have deep roots in moral philosophy.