

THE ECONOMIC DECODING OF RELIGIOUS DOGMAS

Ranking World Religions in
Terms of Economic
Consistency

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BY

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FOREWORD

The economic theory of religion is a relatively new scientific field. However, this research project was not born out of my desire to pursue a new and very interesting research direction. The fact that the research communicated through this book has been performed at the beginning of this new scientific endeavor is simply coincidence. The study of the influence of religious values and institutions on economic performance has been a natural stage in my long-term, nonorthodox, personal research program. Hence, it should be no surprise that the methodology and conclusions derived from this research are quite different from others’.

The analytical model I propose in this book is based on my previous studies regarding the formation of preferences and cultural values as well as the nature of rules and institutions. All studies were performed within a fundamentally different paradigm. This book is the first major test of the general power paradigm — a paradigm for which I have struggled to attain recognition. The results are beyond my expectations. Through using an analytical model quite different from that of standard economic theory, rational choice perspective and the Weberian model, I proved something that, from the perspective of orthodox social science inspired by Western culture, is hardly imaginable. Specifically, religious values, rules, and institutions intrinsically contain direct and indirect rankings of the mega-objective absolute wealth (or economic performance) and, as such, they predetermine the economic performance of communities that embrace those religions.

Because the level of economic performance determined by a religion is encoded in its dogma, nothing else but religious dogma should be studied or decoded by economists. Just the outside, plain aspects of religious activities — like religiosity — cannot but mislead. It is equally misleading to study the correlation between dominant religions and economic performance of the corresponding communities. This is so because the economic performance of many countries has increasingly depended on economic systems and institutions they have been forced or induced to adopt and which have nothing in common with their own cultures and, as such, their own religions.

The standard economic models for analyzing religion are not fit to tackle this problem. It seems it is impossible to economically decode religious dogmas and derive a solid economic consistency ranking of religions other than from the perspective taken in this book, and by its derivative concepts and correlations.

1

THE MODEL

1.1. THE GENERAL POWER PERSPECTIVE

1.1.1. Weberian Rationalism¹ or the Rationalism of Absolute Wealth

If we accept that capitalism is an efficient institutional setting in terms of absolute wealth,² Weber's idea that its adoption by Western countries is due to a special Western rationalism allows us to embark on the same present course of Western economic (but not only economic) theory: The objective, or the end, of absolute wealth or economic performance is the only megaobjective of all cultures or is a transcultural megaobjective and, consequently, the only possible way to learn something about why some countries are rich and most others have stayed poor for centuries is to look into the means of generating absolute wealth. Let me pinpoint the falsehood and difficulties of such a course by making special reference to Weber's rationalism.

In brief, the logic of Weber's idea of Western rationalism as a partial determinant of modern capitalism is that a certain type of religion — that is — Protestantism, especially English

Puritanism as derived from Calvinism — is based on a type of rational behavior that favors formation of the capitalistic spirit and the type of economic system which has prevailed in Western countries in the modern age. This effect of Protestant rationalism on “modern capitalistic culture” or “what today is called progress” was unintended, derived from “purely religious characteristics,” and must be based on some biological or anthropological feature of Westerners (Weber, 1985, p. 30), because “we find again and again that, even in departments of life apparently mutually independent, certain types of rationalization have developed in the Occident, and only there” (Weber, 1985, p. 30).

With Weber, in order for economic rationalism be adopted successfully, individuals have to have “the ability and disposition ... to adopt certain types of rational practical conduct” which depend heavily on “magical and religious forces” because they have been, especially in the past, “the most important formative influence on conduct” (Weber, 1985, p. 26, 27). At the same time, according to Weber, the cultural determination of capitalism is weak enough that it might very well have been developed in China, India, or Islamic countries, in the modern era or also in antiquity.³

The fundamental (rather implicit) assumption in Weber’s model is the validity of a generally and uniquely desired human megaobjective or megagood, which in this way becomes some kind of transcultural good: The megaobjective of absolute wealth. If this were not the case, talking about the failure of some countries to develop capitalism would make no sense. Because it is the case of a single megaobjective, adopting the efficient institutional setting — capitalism — is not a problem of choice, but a technical problem, or a problem of identifying and being able to adopt the proper means for a single human megaobjective. Thus, when some collectivity appears to have failed to adopt the proper efficient setting

of capitalism, one runs into a problem which cannot be solved except by a discipline such as “comparative racial neurology and psychology.” It is a direction which some economists like North (2005) — who seems to have followed Weber’s suggestion very closely — have taken.

1.1.2. Why Employ Two Megaobjectives?

In this book I take an approach which is thoroughly different from both the Weberian and the one belonging to orthodox economic theory.⁴ The analytical power of my approach shall be tested by its ability to generate a model that abandons the implicit assumption of the irrationality of most peoples of this world over a time span of centuries. My approach accepts the reality of different cultures, or the reality of a continuous variation of human fundamental objectives, of which absolute wealth is only one. Its following presentation will combine an explicit exposure with an implicit one by relating it to Weber’s model.

Anyone living for some time in a culture other than a Western one observes that people are relatively more interested in the megaobjective relative power, and will more readily trade relative power positions or status — which is a good derived from relative power — for absolute wealth. This fact alone could recommend relative power as a megaobjective on equal footing with absolute wealth, that is, as a substitute for absolute wealth⁵ (which is perfectly consistent with the possibility that each of the two megaobjectives be a means in relation to the other). The hypothesis of a single megaobjective and ignoring the megaobjective relative power is equal to ignoring the past and present experience of all cultures of the world.

But well-known philosophers, economists, and other social scholars also acknowledge relative power as the other

fundamental human objective, such thinkers include Adam Smith,⁶ John Stuart Mill, Thorstein Veblen, Thomas Hobbes, Francis Fukuyama, Helmut Schoeck, Mauk Mulder, and Geert Hofstede. The abandonment of the idea of relative power as the other human megaobjective was caused by a great cultural transformation of current Western countries and the subsequent culture blindness⁷ affecting most Western economists. It did not take long for the bad effects to emerge. Leaving aside that the assumption of absolute wealth as a unique human megaobjective puts economic theory at odds with some other sound social disciplines — at least anthropology⁸ and political science — it also produced “theories” which replaced one unknown for another and had basic internal inconsistencies.⁹

1.1.3. The Anti-Entropic Perspective on Individual Maximization

The best argument for employing a model which allows for two megaobjectives or megagoods — absolute wealth and relative power — consists of the anti-entropic nature of the living world. Economic theory is about a limited existential reality — the human species — that is itself incorporated within a larger area: The living world. It implies that the principles which govern this larger area should be fundamental for economic perspectives or, in other words, economic principles should not be situated opposite the former. While the universe as a whole moves continuously toward a higher level of entropy, living organisms, including human beings, have an anti-entropic movement which is based on sucking low entropy from the outside world. It is in this way that the living world speeds up the anti-entropic movement of the universe or, in other words, the living world submits itself to the law of increasing entropy.

A more accurate description of living organisms' functioning should acknowledge the maximizing or economic principle. In this way, to the anti-entropic movement is added the principle of maximizing the negentropy. Living organisms fight their entropic degradation by sucking low entropy from their outside world. That is why the level of control of an organism over its external reality — including the members of its own species — is a measure of its success in fighting entropic degradation, and maximization of this control is considered equivalent to negentropy maximization. For the human individual the level of this general anti-entropic control constitutes what I term *general power*.

Accepting that the species is not the maximizing unit or, more exactly, it is not the accounting unit, but the individual member of the species is, it is necessary to divide the human individual's outside world into two components: One consisting of everything except the human species (the living and inert world), and the other consisting of the human species itself. It is the individual's different behavior toward these two components influenced by their effect in terms of negentropy absorption, which imposes such a division. Sucking low entropy by trapping members of the human species has to be reduced to a great extent, or even completely abandoned, due to its high opportunity cost (caused by the high power equality among human individuals) and the sizeable overlapping of human identities (the identity unit is much larger than the metabolic or physiologic unit). Consequently, members of the same species have developed among them more friendly behavioral patterns that are less likely among individuals belonging to different species.

The general level of control developed by one human individual over his external human and non-human reality, termed his *general power*, should be broken down, according to the aforementioned division of external reality, into

relative power — the individual’s ability to control and exploit the other members of the human species, and *absolute wealth* (the ordinary concept of wealth without any relative position or power aspects) which is the individual’s ability to control and exploit whatever external components remain. It is for this reason that confining the maximizing principle, in an implicit or explicit form, to just the megaobjective absolute wealth constitutes a fundamental error of economic science and other kinds of social sciences. This narrow view succeeded with the support of ideological factors and cultural blindness. Even in the case of cultures focused on the megaobjective absolute wealth, (as is the case in Western societies), the aforementioned hypothesis significantly decreases a theory’s descriptive ability and leaves social scholars with the alternative of falsifying results.¹⁰ Moreover, orthodox economic theory does not limit its descriptive capacity to Western societies, but claims universality.

1.1.4. From Megaobjectives to Ordinary Interests

The anti-entropic perspective on life, and considering the individual as the cost-accounting unit, entails accepting with relative ease the two megaobjectives, absolute wealth and relative power. But this easily can be looked at as a hard-to-accept oversimplification when one has to explain evolution from these two megaobjectives — which should have simultaneously been humanity’s initial objectives — to the numerous daily interests we deal with. How, then, could we explain the evolution from those primary objectives to interests such as sports, dance, art, fashion, and so on?

Some of the explanations offered by famous scholars suggest that such a reconstitution is possible and logically quite solid. Let us take, for instance, the explanation suggested

by Veblen (1899/1992) in relation to a passion for sports. The first sport practiced by humanity was hunting. This was an activity that simulated war by changing the enemy and the stakes, while employing the same set of techniques and abilities. The zero-sum game characteristic of war has been overtaken by all sports and in this way the megaobjective of relative power has been preserved by sublimation. Humans are passionate about sports because our lives started, and have to a large degree been defined, by the objective of relative power. With sports, this objective is accomplished in a less costly way than, for example, war. We accept the positive effects of sport activities on health and physical capacities, but the main purpose remains to win or prevail. Thus, in sports, the main objective was, and still is, that of relative power.

I can further illustrate the evolution of the megaobjective relative power with the passion people have for dance as suggested by Freud. To reconstitute this evolution one should understand that dance is derived from humans' interest in sex, which itself is related to the objective of relative power. Freud focused on reconstituting the relation between dance and sex. In dance, fundamental aspects of sex are sublimated and socialized; those aspects are nothing more than specific ways to express man's relative power over woman. The failure of many social scientists to understand these connections, or even the fear of attaching frivolous overtones to them, are proof of the great success of these activities in masking the brutal character of the objective of relative power with which life is so deeply associated.

In short, this approach to human interests as expressions of the components of external reality based on which we trap low entropy and maximize the negentropy of our own structures, leaves no room for features such as vagueness, arbitrariness, or lack of internal logic. On the contrary, human goals look well-structured in a pyramidal architecture and as we go

up there is remarkable stability: We end up with only the two megaobjectives of absolute wealth and relative power. All other more or less ordinary human goals are components or aspects of these two comprehensive ones.

1.1.5. The Inverse Correlation between the Hierarchies in Terms of Opportunity Costs and Preferences¹¹

The inverse correlation between opportunity costs and preference rankings of the two comprehensive megaobjectives, absolute wealth and relative power, is fundamental to the analytical model I used to study the consistency between religious dogmas and economic performance. It is for this reason that such a study is impossible within standard economic theory. The aforementioned correlation makes it possible to decode religious rules and institutions in terms of preference rankings of the two megaobjectives and, ultimately, it enables describing the preference for the megaobjective absolute wealth as the fundamental determinant of economic performance. It is this last possibility that allows transformation of dogma components into economic consistency criteria, which underlies the analysis presented in this book.

The economic behavior of a living organism consists of sorting, choosing or selecting among various components of the external world which are sources of low entropy. Maximizing trapped low entropy requires ranking those components in terms of efficiently employing rare resources. To this purpose, living organisms should trap those external components providing the greatest amount of low entropy for each unit of rare resources they command. This ranking in terms of efficiently trapping low entropy has been vital for living organisms; the first mechanism they developed to signal

and record these rankings was the preference or satisfaction mechanism. Within this mechanism, trapping low entropy brings about an “entropic feeling” (Georgescu-Roegen, 1976, p. 56) or satisfaction where intensity is directly related to the efficiency of the trapping.

The preferences are nothing more than subjective signals recorded by involuntary, subconscious mental processes which depict the ranking of outside world components in terms of the efficiency of low entropy trapping. It is for this reason that *the preference rankings are inversely related to the rankings in terms of opportunity costs*. Ultimately, all rankings in terms of opportunity costs and preferences of all outside world components can be narrowed down to rankings of the megaobjectives absolute wealth and relative power. The reason for this is that the two megaobjectives are exhaustive in that they cover the whole external world of each individual. Therefore, the megaobjectives should be employed in the definition of cultural preferences: Cultural preferences, economically defined, consist of the emerged preference ranking of the megaobjectives absolute wealth and relative power as representative of a community.

Because humanity is continuously creating new objectives or goods and it takes some time for preferences to be formed, the preference rankings cannot necessarily cover all worldly components one individual faces at each point in time and, consequently, not all human activities can be depicted in terms of satisfaction maximization. By the same token, the explanatory power of the hedonistic principle is limited. The fundamental orthodox economic idea that satisfaction maximization can explain all human behavior is inherently wrong. Veblen reached this conclusion as far back as 1898 when he noted that psychology had abandoned the hedonistic principle, while the economists remained attached to it. It is this same wrong idea of taking satisfaction as the ultimate

comprehensive human goal that is responsible for orthodox economists' failure to conceive a theory of preference formation, economically define culture, and understand its fundamental role in economic performance.

1.1.6. Rules and Institutions Defined in Terms of the Megaobjectives' Opportunity Costs

The description of the preference for the megaobjective absolute wealth as being characteristic of a religion and, in this way, the description of its consistency with economic performance, crucially depends on the possibility of defining religious rules and institutions in such a way that allows their conversion into preferences for the megaobjective absolute wealth. The general power paradigm makes possible a genuine and all-inclusive definition of rules (implicitly those of institutions) as patterned opportunity costs for alternative activities or facts which individuals face and, ultimately, for the megaobjectives absolute wealth and relative power. Unlike tautological or impossible-to-translate definitions in orthodox economic and non-economic literature, with the stance I take here, fundamentally, rules stem from particular choices and not the other way around.

Fundamentally, we have rules — or ruled behavior — because we as individuals make choices based on stereotypical situations. Despite this fact, for the external observer it might appear to be the case of stereotypical or automatic behavior by which an individual follows the rules. In reality, the repetitive individual choices will copy the behavior instated by created rules if rules correspond to the real choice situations individuals are confronted by. In other words, a good rule predicts real behavior, but does not impose it. When we do not behave according to rules, we do not break

rules, but rather rules have failed to predict our behavior because they have failed to predict the opportunity costs we face in real choice situations.

Such a perspective makes both explanations of the most fundamental rules possible — rules which emerge in situations when there is no separation between rulers and ruled — and also of the rules whose creation and enforcement depend on an individual or a group having such power. Except in rare situations, the approach taken by the economic and non-economic social sciences is relevant only to the latter kind of rules: The situation in which rules are created and enforced by an intelligent being (with some purpose in mind) over other intelligent beings.

As soon as religious rules and institutions have been translated in terms of opportunity costs of the megaobjectives, their conversion into preferences and ultimately into the preference for the megaobjective absolute wealth is easily done by employing the inverse relation between the hierarchy in terms of opportunity costs and the hierarchy in terms of preferences. Both the definition of rules in terms of opportunity costs and the inverse relation between the hierarchies in terms of opportunity costs and preferences are not available within standard economic theory.

1.1.7. From the Rationalism of Absolute Wealth to a Rationalism Derived from Two Megaobjectives

It is Western social scholars' obsession with the means of human action and ignorance of variation in fundamental objectives which is responsible for the consideration of a type of rationalism as the cause for capitalist development. Such a perspective corresponds to nothing more than an upside-down reality. An economic system is a specific hierarchy of

megaobjectives to which could be attached one, and only one, type of rationalism. Instead of assuming *da capo* that a community is not capable of developing a certain type of rationalism, one should first investigate if it is not the case that it has a different hierarchy of megaobjectives, and because of this it should develop a different rationalism and, in particular, a different type of economic system other than capitalism.

Although Weber (1985) emphasizes the fact that rationalism depends on assumed ends, one cannot find any effort of trying to link the different rationalisms which he identifies with the possible different ends. Instead, he builds his own model based on a Western-type society characterized by an extreme hierarchy of megaobjectives — in fact the unique megaobjective of absolute wealth — which entails a special set of means or a special type of rationalism.¹²

To prove this kind of approach, let us take the comparative analysis that Weber makes between Puritans and Catholics. Weber does not appreciate the Catholic influence very much because he did not carry so far “the rationalization of the world.” Unlike the Catholic, in Weber’s view, the Puritan replaced the magician/priest who “dispensed atonement, hope of grace, certainty of forgiveness” (1985, p. 117), and as such encouraged a life from hand-to-mouth, with “rationalization of the world,” or to conduct himself as having a planned and systematic character of his whole life. From the general power perspective which I am employing here, Weber errs grossly. We have two separate social realities which are guided by two different megaobjectives. In turn, these megaobjectives require different means and rationalizations.

The Puritan is focused on the megaobjective of *absolute* wealth (the kind of wealth that does not simultaneously carry relative power objectives as it usually does), which by its very

nature imposes a certain type of much elaborated rationalism. This rationalism must bring about exact conduct which results in absolute wealth only. How could it be otherwise, when even economists have had serious difficulties understanding this objective? The classical concept of productive labor — which is nothing more than labor generating absolute wealth — has, by a gross misunderstanding, been considered “the most maligned concept in the history of economic doctrines” (Blaug, 1983, p. 56).

Unlike the Puritan, the Catholic invoked by Weber is a type of man focused to a higher degree on relative power or status and, as such, he should be modeled as acting within a society where relative power inequalities are comparatively much higher. Consequently, his salvation is based on employing a priest with superior relative power, and rationalizing such a “means” does not require a very detailed or systematic description; What should be made clear is specification of his superior relative power. Whenever there are great relative power inequalities, or when the various decisions for all are shaped by those having a higher relative power, there is no need for many detailed rules. On the contrary, stable rules can impede relative power maximization. What is needed is just one relevant rule: The individual having superior relative power decides. And as I shall further show, his relative power maximizing interest is best served without many rules or without rules at all.

This case is not one in which rationalization is absent; it is a case where rationalization is adapted to the specific objective of relative power. The type of rationalism is imposed by the nature of the end to be rationalized. Taking into account that the capitalist system consists of the prevalence of the human megaobjective of absolute wealth, it is not Western rationalism that determines capitalism, but rather the other way around: Capitalism determines Western rationalism.

Chinese society, for instance, did not develop a capitalist system — not because it was not able to develop Western rationalism, but because it had a different ranking of the human megaobjectives absolute wealth and relative power.

By not understanding that within each society the nature of rationalism which is developed depends on the nature of the megaobjectives formed through its specific culture, Weber also values the Chinese personality by Western standards and, of course, finds that the most well-adapted Chinese have a way of life which “is not a systematic, homogeneous entity.” Instead, that way of life remains “a series of events, not a whole seen methodically in the light of a transcendent scope,” and it has to be “characterized by essentially negative elements” (Weber, 1984, p. 75). In reality, within Chinese cultural preference ranking, relative power is by far the most important megaobjective. Consequently, a way of life which is an adaptation to the things outside (i.e., to the various conditions of the land of the living, or when faced with a whimsical absolute emperor) is the most rational way of life. It is not the degree of rationality separating the two ways of life, but the different nature of their main purposes as they have been formed by specific cultural determinants.

The same confusion affects Weber when he identifies the personalization of social relations by the Chinese as the relevant determinant for the lack of evolution toward abstract or formal types of laws: “In China all communal activity remained enclosed in and conditioned by purely personal relations, above all those resulting from kinship ...” (Weber, 1984, p. 79). This personalization of social relations entailed the fact that “all these forms of political and economic organizations ... are very conspicuously lacking in an ability to achieve rational objectivity ...” (Weber, 1984, p. 78). By the same token, a Chinese judge was patrimonial and did not make his decisions based on formal rules “irrespective of the

person,” but “in accordance with the concrete qualities of the people concerned and the concrete situation ...” (Weber, 1984, p. 49). At the same time, in Western countries, according to Weber, the judge acted based on abstract rules irrespective of person, and developed based on rationalism. So, if rationalism has some relevance to the capacity of a society to develop the capitalist system, the Chinese inability to develop a system of laws based on abstract rules must itself be responsible for its failure to develop capitalism.

Here we have reached a stage of the analysis that thoroughly reveals the ill-fated consequence of orthodox economics’ failure to give a positive and comprehensive definition of rules. Simply put, there is no abyss between making a decision based on a person or based on rules. In particular, there is no fundamental difference between a Western organization of social relations based on “abstract” rules and their personalization by the Chinese, because there is no fundamental difference between a decision based on a rule and one made on a particular choice. Rules are nothing more than similar choices that occur with such frequency to make an external observer believe they face stereotypical or automatic behavior. It is not abstract rules which explain stereotypical behavior, but stereotypical behavior that creates rules, or put differently, the stereotypical choice conditions which create “rules” (which therefore cannot be abstract).

Both behavior that seems to be governed by rules and behavior that is not depicted by rules are fundamentally derived from particular decisions or choices. Paradoxically to the Western scholar, in a fundamental way, rules stem from particular choices and not particular choices from rules. Surprisingly again to the Western scholar, the particular cases of Western society would lead to patterned or ruled decisions even if judged by a Chinese patrimonial judge on a case-by-case basis or without having predefined rules. The reason is

that his cases would be very similar because of the relative power equality¹³ specific to Western society, or because of the similarity of the individuals and their choice situations. By the same token, the far greater inequalities among the Chinese require that they should be judged based on a case-by-case approach and not based on rules. The same Chinese judge from the previous scenario, judging the particular cases of Chinese society based on a case-by-case approach, will not reach stereotypical decisions or rules. The much greater inequalities among the Chinese make rules unnecessary — the same way the much greater equality among Westerners makes rules necessary.

Because the relative power structures belonging to various societies form different hierarchies of megaobjectives, the two societies — Chinese and Western — have different hierarchies of megaobjectives and, normally, will employ different institutions and, thus, different economic systems. Coming back to the inability of many societies to develop the capitalist system, the Chinese, first of all, did not set up and develop the capitalist system not because they were unable but because they did not need it. The only economic system which was consistent with the hierarchy of megaobjectives that without any external influences prevailed in Chinese society was the very centralized system that the Chinese have employed for millennia.

1.2. THE SPECIFIC MODELS FOR ANALYZING THE CONSISTENCY OF RELIGIONS WITH ECONOMIC PERFORMANCE

1.2.1. The Deep Nature and Cause of Economic Development

Lacking understanding of the term absolute wealth, and as such not understanding the grotesqueness of the logic, most

economists (even nowadays) consider the idea that development depends on (material and human) resources is correct, which can be translated by the tautology “development depends on development.”¹⁴

Employing the transcultural paradigm of general power makes it easier to understand that good economic performance does not depend on man’s capacity to identify and adopt the proper means to produce absolute wealth (as is the case in orthodox economic theory), but on the prevalence of the megaobjective absolute wealth over the megaobjective relative power. Once the megaobjective of absolute wealth has been formed by cultural processes, sooner or later, individuals belonging to different communities will discover the proper means. Fulfillment of this megaobjective is dependent, first of all, not on the availability of resources, but on the willingness to employ whatever available resources there are to reach it. It is for this reason that many societies without “resources” have recorded impressive economic growth while others very well endowed with “resources” have failed to grow satisfactorily for centuries. In cases when the culture belonging to a community does not contain a strong enough preference attached to the megaobjective absolute wealth, not only will the proper means for its production not be discovered, but even if the means are suggested by some other communities, they would be turned down.

Consequently, *the greater the preference for absolute wealth of a community (contained by its culture) in comparison to its preference for relative power, the greater the economic performance of that community. In the case of communities having a culture characterized by a higher preference for absolute wealth (a lower preference for relative power), a greater part of their energies will be spent on control over nature and cooperation will be easier (the objective of absolute wealth requires positive-sum type activities).*

In the case of communities having a culture characterized by a lower preference for absolute wealth (a higher preference for relative power), a greater part of their energies will be spent on control over other human beings and cooperation will be harder (the objective of relative power forces individuals to engage in zero-sum or negative-sum type activities).

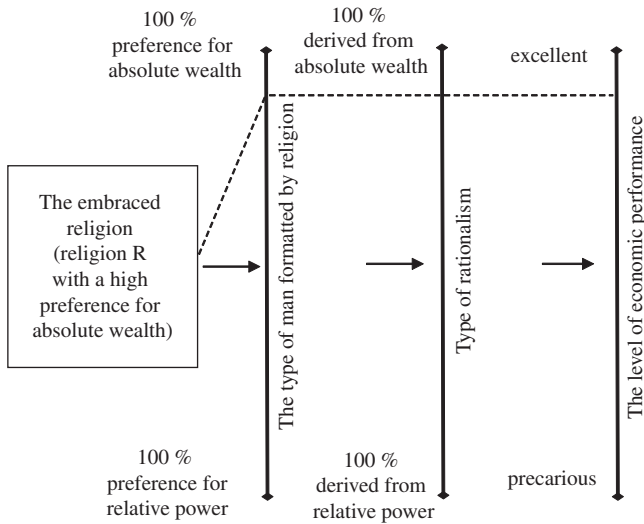
1.2.2. The Religious Determination of Economic Performance

Because religions consist of values, rules and institutions of a religious nature, these can be decoded in preferences and opportunity costs for the two megaobjectives. Ultimately, their consistency with economic performance will be determined based on the level of their preference for the megagood absolute wealth. This can be done by using the following correlations: (1) the inverse correlation between preferences and opportunity costs for each of the two megaobjectives, (2) the inverse correlation between the preferences for the two megaobjectives, and (3) the inverse correlation between the opportunity costs for the two megaobjectives.

There is a remarkable property of the general power model which I developed for this analysis. With Weber, the economic objective — the production of absolute wealth — is defined by the economic system only, while in the general power model all institutions of a community, not only the economic ones, contain a unique hierarchy of megaobjectives — ultimately, the same level of preference for the megaobjective absolute wealth. Further, this will determine through the aforementioned mechanism the specific economic performance of that community. Thus, good or bad economic performance is primarily generated not by the choice of a good (capitalist) or bad (non-capitalist) economic system but by the modeling of

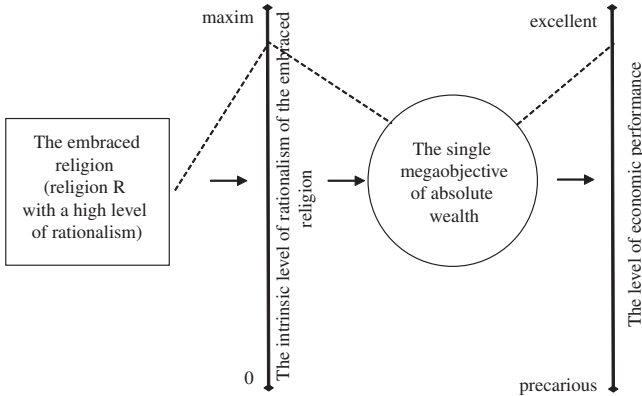
the type of man, through employing all other institutions. To this purpose, the institution of a religion is among the most important ones. This type of man may be more or less focused on the objective of absolute wealth and, thus, may spend more or less of his available resources on that megaobjective. (See Figures 1 and 2 depicting the logic of the Weberian and general power models to explain how religion determines economic performance.)

Figure 1. The Logic of the General Power Model Relative to the Influence of Religion on Economic Performance.



Notes: The embraced religion formats of the type of man and a consistent kind of rationalism. If that religion describes a type of man focused on the megaobjective of absolute wealth, it will form a type of man and a rationalism derived from that megaobjective and economic performance will be good. If the embraced religion describes a type of man focused on the objective of relative power, it will form a type of man and rationalism focused on that megaobjective and economic performance will be precarious. As an example, the embraced religion R contains a high preference for absolute wealth, which forms a type of man and rationalism focused on that megaobjective and economic performance is good.

Figure 2. The Logic of the Weberian Model Relative to the Influence of Religion on Economic Performance.



Notes: Following historical processes, individuals become believers of some religion (as an example, religion R). Each religion has a specific intrinsic level of rationalism, which determines a specific level of economic performance. Thus, different levels of rationalism explain different levels of economic performance. Embracing religion R with a high level of rationalism induces a high level of economic performance.

1.2.3. The Economic Consistency Criteria and the Steps of the Economic Decoding of a Religion

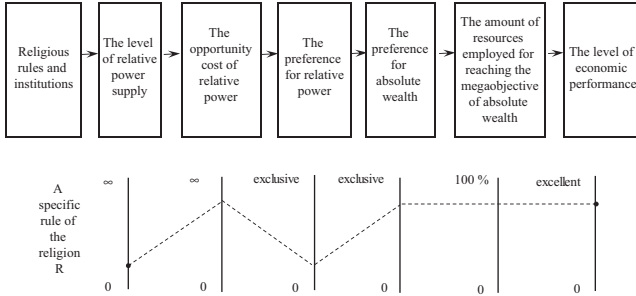
Each component of a religious dogma contains a specific logic, which, if properly understood, leads to determination of its preference for the megaobjective or megagood absolute wealth and, thus, its consistency level with economic performance. Consequently, if accompanied by their specific logic, dogma components constitute what I have termed *economic consistency criteria*. As an example, the importance of an afterlife in some religions — more exactly, the preference for rewards and punishments delivered after death or in the

afterlife — will be decoded into the preference for relative power and then into the preference for absolute wealth and, ultimately, into the level of its consistency with economic performance.

With respect to religious rules and institutions, they should first be decoded into relative power concentrations or, in economic terms, into relative power levels made possible by a religion, then into opportunity costs for relative power and absolute wealth. Further on, the opportunity cost for absolute wealth will be converted into the preference for absolute wealth, and thus it will be possible to determine the level of economic consistency of that dogma component. For instance, the rule of salvation by employing priests is converted into relative power available to the ecclesiastical class and then into the opportunity cost of relative power. Further on, the opportunity cost of relative power is converted into the opportunity cost of absolute wealth and, ultimately, into the preference for absolute wealth. *The level of preference for absolute wealth equals the level of consistency with economic performance (or economic consistency).* The logic of decoding starting from, on one hand, religious rules and institutions to, on the other hand, starting from religious values, are represented respectively in [Figures 3 and 4](#).

Each criterion is independent of all others and, normally, if the model I have employed is a solid one, should reveal the same hierarchy of economic consistency for all religions. Consequently, there is an indirect way to test how solid this analytical model is. It consists of the solidity of the logic employed for decoding the information contained by dogma components in order to state their content in terms of the preference for the megaobjective absolute wealth. Specifically, this method of testing the analytical model consists of determining the degree of persistency of the same hierarchy of economic consistency for all analyzed religions for each of the

Figure 3. The Logic of the General Power Model for Analyzing the Economic Consistency of Religions Starting from Religious Rules and Institutions.

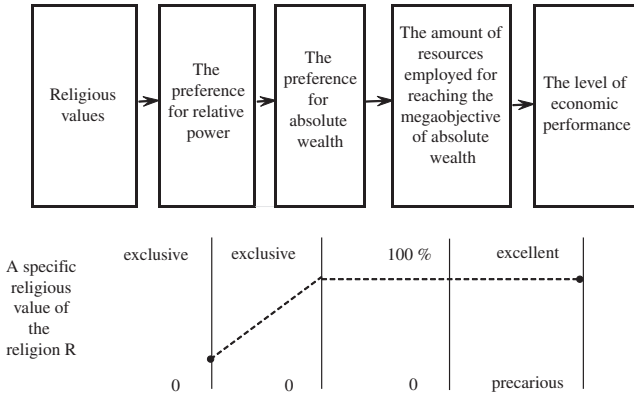


Notes: The level of relative power encoded in a religion determines the opportunity cost of relative power. A specific opportunity cost of relative power determines a specific preference for relative power which is converted into a specific preference for absolute wealth and, consequently, into a specific level of economic consistency of that religion. In the chosen example, a rule of religion R determines a low level of relative power and, as such, a high opportunity cost for relative power. The high opportunity cost of relative power forms a low preference for relative power and, simultaneously, a high preference for absolute wealth. Consequently, believers of that religion will spend a great amount of their available resources producing absolute wealth and the resulting economic performance is good.

economic consistency criteria. This should be so because each religion constitutes a system and, as such, each should have the same hierarchy of megaobjectives for each of its dogma components. At minimum, no well-articulated dogma components should contradict the specific hierarchy of megaobjectives.

If it is true that those differences in dogmas' components, however insignificant they might seem — as is the *filioque* within the dispute between Catholicism and Orthodoxy — are in fact required just to express those persistent differences

Figure 4. The Logic of the General Power Model for Analyzing the Economic Consistency of Religions Starting from Religious Values.



Notes: The specific preference for relative power of a religion is equal to specific preference for absolute wealth. That specific preference for absolute wealth determines the share of the available resources employed by its believers to produce absolute wealth and, further on, the economic performance of the corresponding community. In the chosen example, a value of religion R consists of a low preference for relative power and simultaneously a high preference for absolute wealth. A high preference for absolute wealth determines a high amount of the available resources being employed to produce absolute wealth and the economic performance of the corresponding community will be good.

in the specific hierarchies of megaobjectives, then the solidity of the model has, to a sizeable degree, been proved. However, this indirect method might not seem safe. The available information in the literature covered for this research did not make it possible to rank all the great religions by each criterion; almost every one of these religions has stayed unranked by one or another criterion. But even in these cases the transitivity of the rankings can offer good support.

In this research I have employed ten economic consistency criteria, but this number can be increased provided the amount of information relative to religious dogmas is greater. With one exception, which is the religious idea about the level of prohibition of interest, all other dogma components do not allow a direct (without employing the description of relative power) and complete description of the megaobjective absolute wealth. All other dogma components depict in an encoded manner, by employing religious terms and ideas, preferences and opportunity costs for the megaobjective relative power; only two of them also contain some direct information (although some level of decoding is needed) about absolute wealth. It is for this reason that the idea of a direct determination or predetermination of economic performance by religion has been impossible to conceive within orthodox economic theory. How could an orthodox economist derive information about the determination of a community to grow economically whose religion, for instance, highly values an afterlife or contains the idea of many gods or has a low transcendence? These ideas are impossible to translate by using the concepts and correlations available within orthodox economic theory.

Paradoxically, even when religious dogmas contain direct references to “wealth” or “riches,” without first separating the two components of this common language term — the components of absolute wealth and relative wealth or relative power — any effort to determine the level of a religion’s economic consistency is very confusing; It was this difficulty¹⁵ that constituted a great obstacle in determining a persistent variability of religions with respect to economic consistency (this problem will be extensively approached in Chapter 3, Subchapter 3.1.2 “The Type of Preference for General Wealth”).

Despite sizeable fuzziness, I separated the consistency criteria into two classes. There is a class of indirect criteria which contains most consistency criteria that allow direct decoding

only of the preference or opportunity costs for the megaobjective relative power. Surprisingly to many, this class supplies most of the data required to determine the level of economic consistency of the various religions. The indirect criteria are:

1. The level of concentration/dissipation of divinity
2. The level of transcendence
3. The way of salvation
4. The importance of an afterlife
5. The level of obedience to earthly authorities
6. Man's power over woman
7. The type of organization of religious activity.

The other class is comprised of direct criteria which contain direct information only about absolute wealth or about absolute wealth and relative power. In the latter case, accurate determination of the preference for absolute wealth requires first determining whatever relative power aspects are involved. This class consists of three criteria:

1. The level of prohibition of interest
2. The type of preference for general wealth
3. The type of asceticism.

NOTES

1. In my understanding Weber uses two meanings for his "rationalism." One is in the sense of a kind of rationalism, which allows for cultural differences. The other is in the sense of a level of rationalism that ignores cultural

differences. It is in this latter sense that Weber uses the term rationalism when he analyses the differences among religions and it is also in this sense that I use his term in this book, unless I specifically warn the reader about the use of the former meaning.

2. The reader can find more on the meanings of the two megaobjectives — absolute wealth and relative power — and the way they relate to the fuzzy orthodox term “wealth” in this chapter and in the Sections 1.1.3, and 3.1.2 (in Chapter 3)”
3. “The Chinese would in all likelihood be just as capable as the Japanese, and probably more capable, of acquiring a capitalism which has reached full development both technically and economically in the modern culture area. It is clearly quite inconceivable that the Chinese should perhaps by nature “not be [sufficiently] talented” to cope with such demands as this would make. However, despite the variety of conditions which, in comparison with the West, were apparently conducive to the rise of capitalism, capitalism was not created in China any more than it was in antiquity (both oriental and occidental), or in India and the sphere of influence of Islam” (Weber, 1984, p. 81).
4. I use the term “orthodox economic theory” to more clearly separate that component of economic theory which is precisely derived from the assumption of only the mega-objective of absolute wealth. “Standard economic theory” might contain components which step out in different degrees from that assumption and (rather implicitly) allows the existence of the other human megaobjective of relative power.
5. Robert Frank’s well-known book *Choosing the Right Pond* is focused on these very exchanges.

6. There is no better defense of the idea of relative power as a human megaobjective than Smith's *The Theory of Moral Sentiments*.
7. Western scholars' inability to see that representative types of men of other cultures are different from their own.
8. All anthropologists acknowledge the reality of very different cultures, but what is culture other than a preference ranking for the human megaobjectives, and so, implicitly, the ranking of absolute wealth?
9. As an example, in his theory of failure to adopt efficient institutions, North (2005) substitutes the unknown of how ideologies are shaped for the unknown of why communities fail to adopt efficient institutions. In addition, he moves between a situation with just one megaobjective and a situation with two megaobjectives, within the same model, apparently without being aware of doing so (see Fudulu, 2003).
10. The idea that standard economic theory can accommodate whatever maximandum is wrong. In fact, it is the maximandum which determines the nature of a theory. For instance, in our specific case, absolute wealth encourages positive-sum game type interactions while relative power enforces zero-sum game type interactions. Consequently, orthodox economic theory should find human cooperation a more natural result, while the general power economic theory should find cooperation relatively decreased in varying degrees, and conflict a natural result of human interaction.
11. Most of the new fundamental correlations, definitions and concepts were introduced and defended in my book *Teoria Economica a Culturilor si Institututiilor*, 2007.

Components of the new economic perspective were arranged as papers but all were barred from publication by staunch orthodox followers who imbue most important editorial boards and make up almost all reviewers. However a book in English containing my studies on those fundamental concepts, definitions, and correlations is forthcoming.

12. Weber's model contains the central idea of "the fundamental importance of the economic factor" or the general prevalence of the megaobjective of absolute wealth.
13. From a general power perspective, rules are a function of the relative power of the interacting parties.
14. Surprisingly, non-economists have a much better understanding of the deep meaning or determinants of economic growth. Weber (seen as a sociologist) seems to be early proof of such reality: "The question of the motive forces in the explanation of modern capitalism is not in the first instance a question of the origin of the capital sums which were available for capitalistic uses, but, above all, of the development of the spirit of capitalism. Where it appears and is able to work itself out, it produces its own capital and monetary supplies as the means to its ends, but the reverse is not true" (1985, p. 68). Because "the spirit of capitalism" is nothing more than the megaobjective shaped by this system, in Weber it is the shaping of ends expressed by values and institutions which determines economic growth.
15. As an example, Eucken (1950), Heilbroner (1972), and Weber (1958) struggled to point out the two components related to the term profit, but without an overhaul of the general perspective, they never reached satisfactory clarity.