

Sergio Caruso

# ***Homo oeconomicus: a false Redeemer*** **A lecture on today's economic theology**

(with special regard to the Homo oeconomicus's  
Birth, Life, Passion, Death, and possible Transfiguration)

## *Summary:*

«What am I doing here?» – Homo oeconomicus: its birth, parents and ancestors. – Homo oeconomicus enters common language. What do we mean by that? – Different versions: an attempt to typologize. – Adam F. Hobwin, and his followers, or: the imaginary Smithians. – Adam Smith (the real one:): political economy and social psychology go together. – Karl Marx: the Holy Trinity of political economy. – Giorgio Agamben: «political theology» and «economic theology». – The new Trinity of today's economics. – Homo oeconomicus, the Second Person of today's Holy Trinity: nativity, presentation in the Temple, confounding the elders, relating to moneychangers. – The Passion of a false Redeemer, or: Homo oeconomicus lays the cross upon our shoulders.

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## ***Homo oeconomicus: a false Redeemer***

**A lecture on today's economic theology, with special regard to the Homo oeconomicus's Birth, Life, Passion, Death, and possible Transfiguration.**

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«What am I doing here?» – Homo oeconomicus: its birth, parents and ancestors. – Homo oeconomicus enters common language. What do we mean by that? – Different versions: an attempt to typologize. – Adam F. Hobwin, and his followers, or: the imaginary Smithians. – Adam Smith. the real one. Political economy and social psychology go together. – Karl Marx: the Holy Trinity of political economy. – Giorgio Agamben: «political theology» and «economic theology». – The new Trinity of today's economics. – Homo oeconomicus, the Second Person of today's Holy Trinity: nativity, presentation in the Temple, confounding the elders, relating to moneychangers. – The Passion of a false Redeemer, or: Homo oeconomicus lays the cross upon our shoulders.

### **«What am I doing here?»**

Dear friends and colleagues, I must confess: this assembly intimidates me a bit. Economists and historians of economic thought, gathered together in Florence for an international conference! I am neither an economist nor an economic historian, rather a philosopher of social sciences; therefore, like Bruce Chatwin, I ask myself: «What am I doing here?». The truth is that I am here because *you* called me. Or better: someone was so good-hearted – or so rash, perhaps – as to call me.

The reasons why some of you kindly remembered me – so shall I believe – are mainly two.

The first is that, as early as 1973, I have been among those who translated and edited the new Italian edition of *The Wealth of Nations*, then published in the well-known ISEDI series “I Classici dell’Economia”. This translation – which I partly made myself, and partly was charged to revise and coordinate – was soon given a hearty acceptance, and still seems to enjoy a

good reputation (many other publishers through the years have re-published it in various editions, after ISEDI closed). Let me add that, young as I was, I was even allowed by the series Editor, prof. Volpi, to add in the volume a Foreword of my own: a lengthy philological note on «The words of Smith», that some still like to cite.

The second and much more recent reason why some friends in the world of economics happen to remember my name is the fact that some months ago I published a book wholly dedicated to the concept of *homo oeconomicus*:<sup>1</sup> a book whereby I try to make the history of this concept, to analyse its internal structure, to review the many critiques it has undergone over the years. Not failing to ask myself, in the conclusion, whether something good in it can be saved – in spite of all criticisms – or either we had better dismiss it as totally ideological.

So: not to deceive the expectations implicit in your kind invitation, I thought to dedicate the first part of my presentation to the *vexata quaestio* of how this concept was born (with particular focus on whether or not Adam Smith has something to do with it), and the second part to what comes afterwards: the concept's metamorphoses, and what happens with it in today's economic discourse. I am going to analyse this change neither in a philological sense (it would take too long) nor in a strictly economic one (I wouldn't have the competence); rather, as something regarding the history of ideology. Therefore, after viewing the Birth of *Homo oeconomicus*, I will deal about his Passion-and-Death. The final question, however, concerns the possibility of a Resurrection and, maybe, a Transfiguration...

Why am I using such terms, unequivocally theological? Each of them deserves an explanation, but more than the single terms what one should understand is the strange story whereby they appear connected. In one word: *Homo oeconomicus* is a religious myth: we will get there. But let us proceed in order.

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<sup>1</sup> S. CARUSO, *Homo oeconomicus. Paradigma, critiche, revisioni*, Firenze University Press, Firenze 2012.

## **Homo oeconomicus: *its birth, parents and ancestors.***

The birth. Where does this Latin expression come from? And what is the original meaning?

Since *homo oeconomicus* is an evident paraphrase of *homo sapiens* (Linnaeus called our species this in the 10th edition of *Systema naturae*), it would make no sense to look for it before 1759 (the date of that edition). Indeed, *The Wealth of Nations* (published 1776) comes after, but – contrary to a much widespread and popularly believed opinion – let me soon clarify that Adam Smith is *not* the author of this expression, which cannot be found either in the *Wealth* or anywhere else in his works. Some take it for granted that, while the expression is not around, at least the concept already exists in Smith's pages. But this is also not true. Things – as we shall see – are more complicated. Indeed, a new image of the individual as a centre of economic interests was taking shape in Great Britain more than elsewhere. And it also true that this image reaches a sort of organic coherence and, say, the rank of a «collective representation» (in the sense of Durkheim ) in the XVIII century.<sup>2</sup> But a simple image of what an individual can be like, however widespread and collectively accepted, is not yet a theoretical model. One would be right in recognizing that Smith conceives of humans as «utilitarian» beings. But such a representation is meant by him in the sense of Hume; and does not entail that all subjects are always selfish, nor does it entail that they put economic interests before every other type of interest, or even that they always function as rational decision makers.<sup>3</sup>

<sup>2</sup> Cf. L. VOLKMANN, *Homo oeconomicus. Studien zur Modellierung eines neuen Menschenbilds in der englischen Literatur vom Mittelalter bis zum 18. Jahrhundert*, Universitätsverlag Winter, Heidelberg 2003.

<sup>3</sup> Of course, some authors insist on looking for the philosophical foundation of the *homo oeconomicus* in Smith's work, and state that they have found it therein. However, one should also say that Smith's economic subject is not that hard, while its «foundation» inevitably takes on an ethic-social connotation. Cf. the thesis of Anton HUEBER, *Die philosophische und ethische Begründung des homo oeconomicus bei Adam Smith*, Dissertation, Universität München, 1990; Frankfurt/M 1991. On the same topic: Reiner MANSTETTEN, *Das Menschenbild der Ökonomie. Der homo oeconomicus und die Anthropologie von Adam Smith*, Verlag Karl Alber, Freiburg 2002<sup>2</sup> (this book goes quite a bit further than the role played by Smith: it confronts the entire question of which image of man is implicated in the models of

In reality, to find something like a rational decision theory, we must wait for Bentham; and for a theory of human behaviour as «economic» we must wait longer until 1836, when John Stuart Mill (still in the footsteps of Bentham) writes a paper *On the Definition of Political Economy and on the Method Proper to It*.<sup>4</sup> But it is only with the Marginalists, towards the end of the century, that the formal creation of an economic theory appears, supported by the utilitarianism of Bentham and Mill, where the utility of goods finds its measure in the pleasure the subject takes from its consumption (as Jevons says in his *Theory of Political Economy*, 1871). *Homo œconomicus* is to be the Latin expression that suggestively summarizes the presuppositions of that theory. However, not even Jevons, an Englishman, uses it yet. And even Thorstein Veblen, an American who is strongly critical of those presuppositions, still talks of the *hedonistic man*; whereas the Irishman John Kells Ingram already proposes to summarize them under the label of *economic man* (and he may be the first to use this expression, albeit in English).<sup>5</sup>

Paradoxically enough, it seems (but it is not certain) that the formula was created – with an originally negative connotation – by those members of the Historical School of Economics, who, refusing both Bentham and Mill, opposed every theory of «rational utilitarianism».<sup>6</sup> Instead, it is the proponents of «pure economics» who would launch this same expression in a positive sense, as the name of a hypothesis claimed with pride. Most likely, «the first time when *homo œconomicus* appears in the neoclassic sense of this term is due to Alfred Marshall: the opening lecture of his course at Cambridge University in 1885»;<sup>7</sup> the Italians, however, contributed most to spreading it in

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contemporary economy).

<sup>4</sup> The author who attributes the concept (not yet the denomination) of *homo œconomicus* to J.S. Mill is F.A. VON HAYEK (*The Constitution of Liberty*, University of Chicago Press, Chicago 1960; It. trans. *La società libera*, Vallecchi, Firenze 1969).

<sup>5</sup> J.K. INGRAMS, *A History of Political Economy*, Adam & Charles Black, Edinburgh 1888; Macmillan, New York 1894. The Italian translation of 1892 is worth recording.

<sup>6</sup> Cf. A. FEY, *Der homo œconomicus in der klassischen Nationalökonomie und seine Kritik durch den Historismus*, Dissertation, Universität Frankfurt 1936; Limburger Vereinsdruckerei, Limburg 1936.

<sup>7</sup> L. BRUNI, *L'economia, la felicità e gli altri. Un'indagine su beni e benessere*, Città Nuova, Roma 2004, p. 157 n. Here says the author he is following D.M BENSUSAN-BUTT, *On Economic Man. An Essay on the Elements of Economic Theory*, Australian National University Press,

this positive sense. In particular, the most influential and cosmopolitan of them all: Vilfredo Pareto (*Manuale di economia politica*, 1906). Although he claimed to have borrowed it from the mathematician Vito Volterra, Pareto is most often credited with having paved the way for this expression. However, it was Maffeo Pantaleoni – not Pareto, nor Volterra – the first who, besides giving the *homo oeconomicus* a positive sense, explicitly declares some years before them (in his *Principii di Economia Pura*, 1889) that he uses that expression to summarize the (few) postulates we must start from in the edification of economics – so giving it the highest conceptual emphasis.<sup>8</sup>

### **Homo oeconomicus enters common language. What do we mean by that?**

That is is how far the founding fathers of political economy and economic theory went. And that is how the term was born: a polished neologism, initially meant – by Pantaleoni at least – to point out a technical concept (right or wrong as it may be regarded, but well defined and eminently methodological). After them, however, this Latin expression has enjoyed a growing fortune: far beyond the scientific use – in philosophy, newspapers, common language. And the more *homo oeconomicus* entered the common use, the more vague and charged with different connotations its meaning became. To such an extent that, whenever someone says *homo oeconomicus*,

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Canberra 1978. Both refer to A. MARSHALL, «The Present Position of Political Economy» (delivered at Cambridge, 1885), in *Memorials of Alfred Marshall*, ed. by A.C. Pigou, Macmillan, London 1925; It. trans. «Prolusione inaugurale in occasione del conferimento della cattedra di Economia a Cambridge», in A. MARSHALL., *Antologia di scritti economici*, ed. by G. Becattini, Il Mulino, Bologna, 1981.

<sup>8</sup> On the history of the term and the concept, cf. M. BOCCACCIO, *Economia e concezione dell'uomo*, Angeli, Milano 2007 (just a hint on p. 33); C. DOUCOULIAGOS, «A note on the evolution of Homo Economicus», *Journal of Economic Issues*, 1994 (now online: <http://proquest.umi.com/>, 2003); E.J. O'BOYLE, «The origins of Homo Economicus. A note», *Storia del pensiero economico*, n.s., VI, 1, 2009 (by far the most accurate on the historical and philological grounds: see the online provisional version of 2007: [www.mayoresearch.org/files/ORIGINSap112008.pdf](http://www.mayoresearch.org/files/ORIGINSap112008.pdf), with rich references); J. PERSKY, «Retrospectives: The etiology of Homo economicus», *Journal of Economic Perspectives*, IX, 2, 1995, pp. 221-231 (among all the most cited, but by now clearly surpassed); S. ZABIEGLIK, «The origins of the term "Homo Oeconomicus"», in J. Kubka (ed. by), *Economics and Values*, Gdańsk 2002, pp. 123-131.

one never knows what he/she really means by that. The meaning ranges from that of an abstraction with just practical use, consciously used as such, to being the anthropological ingredient of a vision of the world, passing for a series of different variants.

In fact the *homo oeconomicus* should be, in its original intent, a working hypothesis valid only in its own sphere. Some German authors of the 1920's even consider it a figment or, better, a «fiction» *à la* Vaihinger:<sup>9</sup> nothing more than an *als ob* or an «as-if notion», with no reference and no pretense of truth, to be only used as long as it reveals useful.<sup>10</sup> «Working hypothesis» or even «fictional hypothesis» sound like suitably cautious formulations, but alas they do not account for the enormous ambition of other versions of this concept, nor do they match the doctrine that has been *de facto* employed and taught for years (notwithstanding the fact it was never developed in a satisfying manner as an explicit philosophy, nor proven as a scientific theory).

All those interested in evoking the *homo oeconomicus*, whether in favour or not, will agree that the expression refers to a subject characterized by some form of selfish rationality. This however does not say anything yet, until we

<sup>9</sup> Cf. H. VAIHINGER, *Die Philosophie des Als Ob. System der theoretischen, praktischen und religiösen Fiktionen der Menschen auf Grund eines idealistischen Positivismus* [1911], Felix-Meiner-Verlag, Leipzig/Hamburg 1922; Eng. trans. by C.K. Ogden, *The Philosophy of 'As If': A System of the Theoretical, Practical and Religious Fictions of Mankind*, Routledge and Kegan Paul, London 1924 (Barnes and Noble, New York 1968); It. trans. *La filosofia del "come se". Sistema delle finzioni scientifiche, etico-pratiche e religiose del genere umano*, Ubaldini, Roma 1967.

<sup>10</sup> The German authors who, explicitly referring to Vaihinger, define the *homo oeconomicus* in terms of «as if» are: Josef Stefan SCHMITT, *Der homo oeconomicus in der klassischen Nationalökonomie. Mit besonderer Bezugnahme auf Vaihingers Fiktionstheorie*, Dissertation, Universität Heidelberg 1923, and Hellmuth WOLFF, *Der Homo oeconomicus. Eine nationalökonomische Fiktion*, Paetel, Berlin 1926 (both citations are from the site: [www.muellerscience.com/WIRTSCHAFT/Philosophie/Lit.homo.oeconomicus\(1905-1999\).htm](http://www.muellerscience.com/WIRTSCHAFT/Philosophie/Lit.homo.oeconomicus(1905-1999).htm)). Again, about ten years ago, did another German author, Ekkehart Schlick, declare the «as if» version of the *homo oeconomicus* among those that better resist, on the epistemological ground, the criticisms coming from experimental economics (together with the «ideal-typical» version, and that definable as «a useful approximation»). Which would be only too obvious, if the same author had not gone a step forward: onto identifying in the *homo oeconomicus als Als-Ob Konstruktion* the instrument that has turned the most useful in formalizing a psychological-evolutionary explanation for the process of construction of societal norms (E. SCHLICK, «Der Homo Oeconomicus unter experimentelle Beschluß», *Experimentelle Ökonomie. Jahrbuch normative und institutionelle Grundfragen der Ökonomik*, Bd. 2, hrsg. von M. Held, G. Kubon-Gilke, R. Sturz, Metropolis, Marburg 2003; updated version online: <http://www.semverteilung.vwl.uni-muenchen.de/mitarbeiter/es/paper/schlick-homo-oeconomicus.pdf>).

make it explicit what kind of «rationality» and, moreover, what kind of «selfishness» are being presupposed. Kierkegaard said it well: before talking about selfishness (*selviske*), one must always clarify which self (*selv*) one is talking about.<sup>11</sup>

***Different versions: an attempt to typologize.***

I will not even try to analyse the variety of meanings the expression takes on. Upon this question I have written a book, and to it would I refer anyone who is interested in going deeper. There I tried to bring order into this nebula, reconstructing over ten of the principal meanings, and organizing them into three categories: purely methodological, weakly anthropological, and anthropological in a stronger sense (philosophically more compelling). I therefore analysed the criticisms – numerous and severe – that were brought against that concept by non-economists (mainly in the area of philosophy and social science), so as to see which versions could possibly be salvaged, and reveal useful for a descriptive and/or normative theory of economic behaviour. Result: none of the current versions is worthy saving, since each of them appears founded upon some old psychology, non-scientific and often quite imaginary. However:

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<sup>11</sup> Naturally, the Danish philosopher writes in a completely different context than ours, his aim being to limit and circumscribe those theological theses that identify sin with selfishness; namely in *Om Begrebet Angest*, 1844; Eng. trans. *The Concept of Anxiety. A Simple Psychologically Orienting Deliberation on the Dogmatic Issue of Hereditary Sin*, Princeton University Press 1980 (It. trans. *Il concetto dell'angoscia*, q. in M. INNAMORATI, *Il concetto di lo in Kierkegaard*, Edizioni dell'Ateneo, Roma 1991, p. 61). In fact, for those who like Kierkegaard conceptualize the Self as a living contradiction («the universal set as individual»), self-love may regard either what is in one's Self particular or what is there universal; while the contradiction may be either ignored or perfectly conscious. Therefore, there are four types of self-love. However: those who conceive of themselves as universal do not obviously deserve to be named «selfish»; between those who love in themselves what is particular, a further distinction is needed. There is a «craving to live» totally unaware (Kierkegaard elsewhere considered it personified and/or solicited by women), whereas the self-love that knowingly and consciously chooses the particular (*despite* the universal), only that one merits being called «selfishness» (*selviske*) in the demonic and sinful sense of this term.

□ The purely methodological, formal versions perhaps can be saved, if integrated with, and corrected by the new economic psychology. However, in order to let them take on some predictive and/or normative meaning, we should also elaborate specific variants depending on the situation and the type of behaviour there needed. So, instead of one *homo oeconomicus*, we had better describe the Entrepreneur, the Investor, the Consumer, etc. Enterprise, finance, consumption are in fact situations to which the human brain reacts in different ways.

□ The substantive versions aiming at some “weak” or limited anthropology (i.e. those assuming the *homo oeconomicus* to be a type of man which really exists, at least in the sphere of economic behaviours) risk to be quite useless or, even worse, ill-founded if *homo oeconomicus* is taken as an «indeterminate abstraction» (as Marx says of such a category as «production in general» in his *Grundrisse*). Nevertheless, those versions are liable to take on a richer meaning if properly reconstructed as a set of «determinate abstractions» (Della Volpe) in compliance of Korsch’s «principle of historical specification».<sup>12</sup> In other terms, we could conceive of the *homo oeconomicus* as an *Idealtypus* liable to assume different configurations, all of them deductible from a general model, depending on the value the model’s variables assume in a given situation. That means: to really know which version of *homo oeconomicus* one is talking about, some conditions should be specified, Namely, the mode of production it refers to, the economic actor’s social identity (with special reference to the social class he/she belongs to), and also the «social character» (in the sense of Fromm) prevailing in that society. In fact, as Gramsci already noted,<sup>13</sup> it would be pure nonsense to assume the behaviour of a capitalist entrepreneur to be identically oriented and *a priori* coincident

<sup>12</sup> Cf. K. KORSCH, *Karl Marx*, Chapman and Hall, London 1938 (Pt. I, § 2-3); It. trans. *Karl Marx*, Laterza, Bari 1979, p. 11. On the concept of «astrazione determinata», see G. DELLA VOLPE, *Logica come scienza positiva*, D’Anna, Messina-Firenze 1950 (then in *Opere*, Editori Riuniti, Roma 1972-1973, vol. IV, pp. 281-532).

<sup>13</sup> See A. GRAMSCI, *Il materialismo storico e la filosofia di Benedetto Croce*, Einaudi, Torino 1948, pp. 265-269 (now in *Quaderni del Carcere*, Einaudi, Torino 1975, pp. 1276-1284).

with that of the servant in a feudal regime, so leaving out of consideration the respective psychologies, habits and tastes, not to speak of the forms of rationality and the systems of values they obey: all things obviously different, nay immensely diverse. Besides, even within the same historical context (say, today's market economy), to different economic roles correspond different psychologies, and types of behaviour. The best of field research in economic psychology and behavioural economics show that the cognitive, motivational, and decision-making schemes of ordinary consumers are pretty different than those of a broker educated (and in a way re-socialized) in a Business School. Therefore, given that *homo oeconomicus* may be a useful epitome of how one acts as an economic subject, and considering that indeed cannot science do without abstractions, I think we had better speak in the plural, rather than in the singular: *homines oeconomici*, instead of *homo oeconomicus*. Particularly so – I want to repeat it – if we become able to deduct all of them from one model, liable to assume many a specific configuration.

□ Finally, we have the versions I still name «anthropological», but in a stronger and much more ambitious sense: to do with philosophy or pseudo-philosophy, rather than with social science. I want to make it clear what the difference between the former and the latter is. While the «weaker substantive» versions look at *homo oeconomicus* as the pictorial image of *one aspect* of human behaviour variously confirmed by social sciences such as economic anthropology as well as sociology, history, and so on, the «stronger substantive» versions look at *homo oeconomicus* as the undisputable essence of Man in general, and *the very image of its real nature*. Such images, that claim to have reached the essence of what is Human, belong to the category of «terrible simplifications» whereof the German historian Jacob Burckhardt told us to beware. They often find their place as ideological ingredients of some world vision or *Weltanschauung* meant to “philosophically” legitimate various kinds of social abuse. and political overpowering. Nothing in them can be salvaged, and all – let me add – must be radically criticised-

***Adam F. Hobwin, and his followers, or: the imaginary Smithians.***

At present we are still far from the reformulation-and-specification of this concept as a many-facet model (the one hoped for just above): confusion remains. But we must recognize that the whole question, however disputable, is nevertheless a garden tended by qualified gardeners who know pretty well what they are talking about (philosophers, mathematicians, economic theorists, political scientists, sociologists), generally aware of the applicative limits of their proposals, and often open to discussing and revising their positions. The true problem lies somewhere else: in the fact that all too often can some image of *homo œconomicus* also be found outside the well-cultivated garden of science: in the uncontrolled prose of newspapers and tv news, or in petty manuals where the truth of *homo œconomicus* is taken for granted; or worse, dogmatically incorporated in government policies, in financial and economic practices, and even in the postgraduate training imparted by Business Schools, not to speak of political and social doctrines. And little does it matter – indeed, it *does* matter a lot! – that certain «believers» (because this is the right word) have been, and are, foreground characters such as Ronald Reagan, president of the United States and top upholder of «cowboy capitalism», or Alan Greenspan, former president of the Fed and theorist of economic anarchism, not to mention Margaret Thatcher, who simply declared «there is no such thing as society». Each of them – we can plausibly suppose it – housed in his/her brain some naïve and/or extreme image of the *homo œconomicus*. And the same is true of the millions of people influenced by them. In short, the idea of *homo œconomicus* has become a sort of religion over the years: with pontiffs (at the top of institutions), high priests (in the universities) and a myriad of devoted zealots: from the top managers of finance to the last of «City wolves» (an English term for «stockbrokers» which sounds vaguely Hobbesian).

Someone could now ask me: what is Hobbes to do with all that? Weren't we supposed to talk about Smith? Well, the fact remains that you have two Smiths: the Smith of true scholars, and the Smith of dabblers. True scholars, after endlessly discussing the «Adam Smith problem», appear more and more inclined to reconcile *The Wealth of Nations* with the *Theory of Moral Sentiments*, whereas the superficial erudition of all too many dilettanti (who never read Smith, but love to cite him) has constructed a Smith for their private use, to serve as ingredient of an odd ideological potion. Let us see how.

First, they assimilate Darwin and Hobbes, creating an unlikely mix I will call "Hobwin". Then they add a pinch of Nietzsche, which gives birth to "Friedrich Hobwin": an even less unlikely character, in whose thought – inspired by the mystics of success – a lion-like entrepreneur takes on the role of Nietzsche's *Übermensch* (this is the thesis of Ayn Rand, not coincidentally the teacher of both Murray Rothbard and Alan Greenspan).<sup>14</sup> Finally, they suppose such a theory to be at the basis of (a totally imaginary) Smith. And this is how "Adam F. Hobwin" was born: the main theorist (better said: ideologist) of unrestrained, brideless capitalism. Nobody knows his name (I think I am the first to reveal it),<sup>15</sup> but everyone obeys him. Gekko, his unknowing prophet, summarizes his thought as such: «greed is good». Why? Because it «captures the essence of the evolutionary spirit» (in *Wall Street I*).<sup>16</sup>

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<sup>14</sup> E.g. the volume by Ayn RAND, *Capitalism: The Unknown Ideal*, New American Library, New York 1966<sup>1</sup>, 1967<sup>2</sup> (which includes three essays by the young Greenspan). However, the work by which Rand's mental circuits can be best understood remains her philosophic novel *Atlas Shrugged*, Random House, New York 1957; It. trans. *La rivolta di Atlante*, Corbaccio, Milano 2007, three vols. On the social philosophy of Murray Newton Rothbard, the first theorist of «anarcho-capitalism» as the natural form of human life, one can read: S. BERTEA, «Libertà, mercato e anarchia nel pensiero politico di Murray Rothbard», *Ragion pratica*, 20, 2003, pp. 233-252.

<sup>15</sup> I thought I was the only one who had fun mixing up the names of the philosophers, when I came across the article by Hartmut KLIEMT, «Public choice and political philosophy: Reflections on the works of Gordon Spinoza and David Immanuel Buchanan», *Public Choice*, Vol. 125, Nos. 1-2, pp. 203-213 (this work is also dedicated to the question of the *homo oeconomicus*).

<sup>16</sup> In the famous speech at the stockholders' meeting: «Greed, for lack of a better word, is good. Greed is right. Greed clarifies, cuts through and captures the essence of the evolutionary spirit. Greed – mark my words – will save the USA». Gordon Gekko is simply an imaginary character; but for the flesh and blood speculators for whom the film is supposedly inspired, he really did say this kind of phrase and with the same solemnity. I am referring in particular to Ivan Boesky (*Greed is healthy*, during a conference for the Berkeley Business

And for those who still do not understand: «bubbles are the purest form of Darwinism, they cut away all that is unnecessary, and tame the flock» (*Wall Street II*).

What seems to me most grotesque in the second-hand Darwinism of these positions (I am referring in particular to the right-wing Republicans in the USA) is that they are upheld by those same people who – incredibly – *refuse* Darwin's evolutionary theory (to which they oppose some kind of creationism, based in Christian fundamentalism); the same people who never miss a chance to declare the evolution of species not at all worth believing, and who overtly fight to forbid its teaching in all schools!<sup>17</sup>

Besides: how many times have we heard them identify the competition among economic subjects with the *bellum omnium contra omnes*, or the war of all individuals against one another in Hobbes's state of nature; and – accordingly – the market with the lawless condition of *homo homini lupus*!<sup>18</sup> And how many times have we heard them confuse the «survival of the fittest» (which entails, in both biology and economy, some kind of mutation whereby a living organism faced with some environmental challenges reveals able to adapt) with the «survival of the strongest» (that does not need any innovation whatsoever)!

The promoters of such a philosophical mess are often the same who still like to evoke peculiar images of the *homo œconomicus*, wherein strength (a natural attribute, if any) misteriously turns into reason (a faculty that Hobbes

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School: 18 May 1986), but also to Michael Milken, noted for being “the king of the *junk bonds*” and always cited, for better or for worse, as the protagonist of the *decade of greed*. In short: well beyond the Oliver Stone film, *Greed is good*, it was the inaugural motto of an era; beginning in the 1980's, which Barbara Ehrenreich (among the most notable exponents of social criticism in the United States) called, paraphrasing another film, “the worst years of our lives” (B. EHRENREICH, *The Worst Years of Our Lives. Irreverent Notes from a Decade of Greed*, HarperCollins, New York 1990).

<sup>17</sup> A fair exposition of the US right-wing theses, as well as a scientific and political critique of them, can be read in the article of a great biologist: Frans DE WAAL, «I geni di Adam Smith», *Il Sole 24 Ore*, 18 September 2011.

<sup>18</sup> «*Homo homini lupus* is a questionable affirmation on our species, that starts from false assumptions about a different species » (F. DE WAAL, «I geni di Adam Smith», cited above). Apart from this, the vulgar identification of market competition with *bellum omnium* sends us back to the recurrent but highly questionable assimilation between *homo œconomicus* and *homo politicus*. On the many criticisms that such an assimilation deserves, let me refer to S. CARUSO, *Homo œconomicus*, cit: Ch. VI, §§ 4-5-6.

himself considered *praeternaturalis*). And this kind of astute and ruthless beast – the *homo oeconomicus* in its intensified version – strangely ferocious like a lion and at the same time rational like Mr. Spock, is laid at the very basis of economic improvement and universal welfare (although guided by an invisible hand, that of the Market). Which means forgetting that:

(a) Nietzsche's *Übermensch* – not Rand's Nietzsche's, but the real one's – is an Overman much more than a Superman, i.e. a «stage» in human development (the third one, that of full maturity, ensuing from the «third metamorphosis») whereby one ceases to be a Lion (whose will to power is only able to destroy) and becomes «a child at play» (Nietzsche's metaphor of the third and final stage, when one's will is also able to create);<sup>19</sup>

(b) Darwin's evolution is not at all finalistic, and not necessarily is the success of a species of advantage to the ecosystem as a whole);

(c) Smith – just like Hume, his master – opposes any idea of «state of nature» as ill-founded. And most important of all:

(d) Smith's metaphor of the «invisible hand» does indeed concern the market, but in the framework of a general theory of human life (that of *Moral Sentiments*) that only knows *strongly socialized individuals*, and within a particular theory of economic life (that of *The Wealth*) that considers division of labor, market and economic improvement as distinctive features of the «civil societies» (as opposed to the «barbarous and savage nations» that, poor of institutions like they are, never make progress).

Smith – I want to remind that– never used this expression of *homo oeconomicus*, that is wrongly attributed to him. Nor do I believe that he really thought a small Scotsman to be hidden inside the mind each of us (another

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<sup>19</sup> The «three metamorphoses» on a man's way to becoming an Overman are respectively symbolized by the Camel, the Lion, the Child at play. See F. NIETZSCHE, *Also sprach Zarathustra: Ein Buch für Alle und Keinen*, Verlag von Ernst Schmeitzner, Chemnitz 1883 (Erster Teil, § 1: «Von den drei Verwandlungen»); Eng. trans. *Thus Spake Zarathustra. A Book for All and None* (Pt. I, § 1: «The Three Metamorphoses»), Macmillan, New York & London 1896; It. trans. *Così parlò Zarathustra. Un libro per tutti e per nessuno*, Giunti, Firenze 2006, pp. 31-33. On Nietzsche's metaphor of the authentic man's full maturity as «a child at play» (presumably inspired by Heraclitus), see also *Jenseits von Gut und Böse*, C.G. Naumann, Leipzig 1886 (Eng. trans. *Beyond Good and Evil*; It. trans. *Al di là del bene e del male*).

widespread way of popularizing his thought). I believe instead that if Smith could know how many would-be “Smithians”, united in his name, make human nature consist only in the craving for profit, he would start violently hitting the cover of his coffin!<sup>20</sup> Many years ago, in a political climate still influenced by the 1968 movements, two books came out with similarly provocative titles: first, a sarcastic condemnation of Sartre’s and Althusser’s «imaginary marxisms», by Raymond Aron, and then – in his footsteps, but in a less stark and almost tender style – *Figlioli miei, marxisti immaginari* by Vittoria Ronchey.<sup>21</sup> Well, it seems to me that today, in a quite different moment marked by the triumph of marketism, we would need another Ronchey to write the sequel of her book: *My Children, Imaginary Smithians* (also because the pseudo-Smithians of today are often the pseudo-Marxists of yesterday)!

***Adam Smith. the real one. Political economy and social psychology go together.***

In the meantime, few have fought to re-establish the truth against the stereotyped Smith of imaginary Smithians. Last not least, Amartya Sen. The image of a Smith «profoundly conservative, stainless herald of market virtues» and «street crier of trivial formulas», in short the bare name of Smith as icon of the new religion of the market – explains Sen – is an ideological creation that only takes form «decades after the death of the philosopher»: a typical product of the 19<sup>th</sup> century, made «through a flawed analysis of Smith’s work, and through an extremely partial *corpus* of quotations». Suffice it to say that, as

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<sup>20</sup> The joke on the small Scotsman hidden inside us all goes back to Walter Bagehot, indeed a classic in political theory (cf. W. BAGEHOT, «Adam Smith as a Person», *Fortnightly Review*, August 1876; then in *The Works and Life of Walter Bagehot*, ed. by Mrs. Russell Barrington, Vol. VII, Longmans, Green & Co., London 1915). The joke on Smith turning in his grave against the Smithians is taken instead from a young German philosopher that is now getting growing international recognition, Richard David Precht, who writes: «Niemand hört, wie Adam Smith, der Gründungsvater der Nationalökonomie, heftig gegen den Sarg klopft» (R.D. PRECHT, «Wir wählen uns alle nur selbst», *Die Zeit*, 10 September 2009).

<sup>21</sup> R. ARON, *D'une Sainte Famille à l'autre. Essai sur les marxismes imaginaires*, Gallimard, Paris 1969; V. RONCHEY, *Figlioli miei, marxisti immaginari. Morte e trasfigurazione del professore*, Rizzoli, Milano 1975.

late as 1787 (eleven years after *The Wealth*), Bentham accused Smith – still living – of being unreasonably *adverse* to the market, and of conceding too large a space to the State's role! Besides, says Sen, there is something in the standard interpretation of Smith's thought (the one dearest to the rational choice theorists) that «apparently goes the wrong way», i.e. the attempt to keep the virtues of «sympathy», supposed to be only valid in the moral sphere of disinterested relationships, aside from the self-interested motivations of the «prudent man», supposed to be the typical subject of the economic sphere. Quite the contrary, Smith himself «goes so far as to claim that if prudence is, among all virtues, the most useful to the individual, so are humanity, justice, generosity, and civicness, the qualities most useful to others; and he makes it clear, at the same time, that such moral qualities «do not only serve the purpose of creating a decent society, but also serve that of making market economy flourish».<sup>22</sup>

Thus spoke Sen, in his 2010 lecture. The point is – and too often we forget it – that Smith (the authentic one, pretty different from the «imaginary Smithians'» creation) is much more than the father of political economy: indeed, he is the father of both political economy and social psychology *at the same time*. Thanks to him, the two were born together: both in 18<sup>th</sup> cent. Edinburgh, like twin sisters. Many would object that D.H. Mead (1863-1931), an American psychologist of last century, rather than Adam Smith (1723-1790), a moral philosopher still belonging to the Scottish Enlightenment, shall be considered the real father of social psychology in the modern sense- And they would be right in that Mead re-founds «social psychology» on a new basis, and gives it its name. Yet, Mead's work would be literally unthinkable without Smith's (and Hume's) moral philosophy, which is in fact a social psychology *ante litteram*.

<sup>22</sup> A. SEN, « Attualità di Adam Smith», lecture delivered at the IX Festival Internazionale delle Letterature (Rome, 27 May 2010): [www.festivaldellelettere.it/it/testi/37/attualit-di-adam-smith.html](http://www.festivaldellelettere.it/it/testi/37/attualit-di-adam-smith.html). Among those who, before Sen, criticised the myth of Smith's anarcho-liberalism: S.J. PACK, *Capitalism as a Moral System: Adam Smith's Critique of the Free Market Economy*, Edward Elgar, Aldershot (U.K.) 1991; W.J. SAMUELS, S.G. MEDEMA, «Freeing Smith from the "Free Market". On the misperception of Adam Smith on the economic role of government», *History of Political Economy*, Vol. 37, N° 2, 2005, pp. 219-226.

That political economy (now economics) and moral philosophy (now social psychology) have been, and still must be, strictly tied to each other – this is precisely what those who uphold the stronger ideological version of the *homo oeconomicus* cannot see. In fact: how can they bestow on social psychology the space it deserves in economics, if they believe – in the name of Smith, but against Smith – that man is by nature an antisocial animal?

The strange exclusion of social psychology from the field of economic studies would certainly be an interesting question to explore further. Since any economic order comes out of collective behaviours (unless you want to consider «political economy» Robinson Crusoe's lonely attempt to survive on his island), it is pretty surprising that economists prove less interested in social psychology than they traditionally are in individual psychology. And even more surprising that such a lack of interest affects not only microeconomics, but macroeconomics as well.

I strongly suspect this contradictory attitude goes along with both an ideological refusal of «society» – as kind of a leftist concept! – and the persistent idea that economics should be kind of a natural science, instead of the social and even political science of its origins.

### ***Karl Marx: the Holy Trinity of political economy.***

I resist, however, the temptation to further develop this issue, while jumping instead to the conclusion of this paper: to what seems to me the mythological dimension of the *homo oeconomicus*. Of this strange character – that an anthropologist, Mary Douglas, likens to the figure of «a quintessential Stranger»<sup>23</sup> – we have analysed the birth. Now it is time to comment on its Passion and Death; and maybe, who knows, on its Resurrection and Transfiguration.

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<sup>23</sup> M. DOUGLAS, « Di fronte allo straniero. Una critica antropologica alla teoria sociale», “Mulino Lecture” held in Bologna, Italy, Nov. 5 1994 (then published: *Il Mulino*, 1, 1995, pp. 5-26). In English, see also: «The Strong Presence of Homo Oeconomicus», in M. Douglas & S. Ney, *Missing Persons. A Critique of Personhood in the Social Sciences*, Univ. of California Press, Berkeley and Los Angeles 1998 (wherefrom I quote: p. 23).

The adoption of such terms borrowed from religion must be explained. And it soon is: as of now, the idea of *homo oeconomicus*, much more than a well-thought out theoretical abstraction to serve science, seems to me kind of a theological notion.

In a way, this is no news: the existence of some sort of «economic theology», i.e. a theology-like ideology silently nested in the heart of political economy, is already denounced – remember? – in the first and third volume of Marx's *Capital*. In particular, the Christian idea of Holy Trinity is frequently resorted to. Like the Trinity's Three Persons diversely mirroring the Almighty's *infinite power*, so do the main concepts of Malthus's and Sismondi's Political Economy compose «a beautiful trinity» of restless forces, all the three working by way of *superabundance*.<sup>24</sup> Besides such *productive forces* as over-production, over-population, and over-consumption, another «Trinity Formula» – says Marx – can be tracked at the very basis of Political Economy, i.e. the three *factors of production*: land, capital, and labour (with the respective remunerations thereof: rent, interest, and wages).<sup>25</sup> However, these are not the only references to the Holy Trinity in Marx's pages. As remarked by John M. Hull, Professor Emeritus of Religious Education at the University of Birmingham, *The Capital* contains a whole series of theological jokes. «Just as the Father, notes Marx, in the Holy Trinity differentiates himself from the Son in the process of the eternal begetting of the Son and yet the Father and the Son remain one, and are also of one age since neither has a temporal priority, so capital differentiates itself into money and into commodities».<sup>26</sup> In Marx's own

<sup>24</sup> In his *Principles of Political Economy* – writes Marx – «Malthus finally discovers, with the help of Sismondi, the beautiful Trinity of capitalistic production: over-production, over-population, over-consumption — three very delicate monsters, indeed. Cf. F. Engels, *Umriss zu einer Kritik der Nationalökonomie*, I.c., p. 107, et seq.» [K. MARX, *The Capital: A Critique of Political Economy*, Vol. 1 (1867) Ch. 25, note 17; Eng. trans. by S. Moore and E. Aveling, ed. by F. Engels, 1887, now at:

<https://www.marxists.org/archive/marx/works/download/pdf/Capital-Volume-I.pdf>].

<sup>25</sup> Karl MARX, *The Capital: A Critique of Political Economy*, Vol. 3 (ed. by F. Engels, 1894 posth.); Eng. trans. by D. Fernbach, Introduced by E. Mandel, Penguin Classics, London 1993, p. 953 ff. (now at

[http://www.marxists.org/archive/marx/works/download/Marx\\_Capital\\_Vol\\_3.pdf](http://www.marxists.org/archive/marx/works/download/Marx_Capital_Vol_3.pdf)).

<sup>26</sup> J.M. HULL, «Karl Marx on Capital: Some Implications for Christian Adult Education», *Modern Believing*, Vol. 38, No.1, Jan. 1997, pp. 22-31 (now at <http://www.johnmhull.biz/Karl%20Marx%20on%20capital.html>).

words: «The Son, and by the Son the Father, is begotten. So soon does their difference vanish and they again become one».<sup>27</sup> «Nor must we think – Hull wittily adds – that Marx is Sabellian, for the structures in which capital circulates are not mere appearances but actual transformations necessary for the dynamic process».<sup>28</sup>

So, there we find – in Marx's pages – many a sarcastic remark on the «trinitarian formulas» that Political Economy appears willing to resort to (such triads as production-population-consumption, or land-capital-labour, and rent-interest-and wages). But also do we find another formulation which sounds theoretically more engaging, one where the «Holy Trinity» of Christian theology seems to be much more than a simple metaphor, or another name for triad: rather a hidden structure of Political Economy *qua* ideology. In a way, something that Marx *unveils*. Something about capitalism as a sort of religion, and about Political Economy as its theology. How does this Trinitarian structure work? And who are the three Persons?

The Capital itself is the God Father thanks to which, and upon which, the whole world of modern economy exists, and appears hinged. Like God's Divine Grace, it circulates around the world, and this very circulation cause men to work hard in order to make it greater: *ad maiorem Dei gloriam*, as it were. So, does the capital begets profits, that obviously means: *capital makes money*. While ignoring the peculiar role of surplus labour in creating surplus value, Political Economy presents the capital as the mystic source of profits growing flow.

So, money is the Second Person. The same as the Son proceeds from the Father, so is Money supposed to proceed from the Capital. Not only that. Like Jesus Christ is God's Divine Son, and a man among men at the same time, so does money make visible on earth what would be otherwise invisible:

<sup>27</sup> Cf. K. Marx, *The Capital*, Vol. 1, Pt 2, Ch 4 on the circulation of the capital: «It differentiates itself as original value from itself as surplus-value; as the father differentiates himself from himself qua the son, yet both are one and of one age: for only by the surplus-value of £10 does the £100 originally advanced become capital, and so soon as this takes place, so soon as the son, and by the son, the father, is begotten, so soon does their difference vanish, and they again become one, £110».

<sup>28</sup> J.M. HULL, cited above.

the «celestial quality» of commodities *qua* commodities, i.e. their exchange value, this inner sacred quality lying in their monetary value. Marx goes so far as to compare it to Paul's «circumcision of hearts».<sup>29</sup> Which implies the primacy of monetary economy – if you like better, the Advent of Money – to be the parting point between two ages in human history (exactly the same as b.C. and A.D.): *before* money and *after* it. The Only-Begotten of God Father (the Capital), Money has become the «universal mediator». Like Jesus embodies the Word of God, so is money the voice of the capital: a voice that, even more suasive of God's one, finds in the new world of «universal commodification» (so does Marx rethinks Hegel's *Zeitgeist*) an actual translation into all languages. Inspired by the new World Spirit, the apostles of money shall be polyglot! And there we find the Third Figure of Marx's sarcastic Trinity: that of Commodity, proceeding from both the Capital (wherefrom it seems to originate) and Money (which gives it a voice and a meaning). Just like the Holy Spirit, commodities circulate all over the world: the market knows no borders. As Jesus said to Nicodemus (John 3: 8), «the wind blows wherever it wishes».

**Giorgio Agamben: «political theology» and «economic theology».**

Something vaguely similar can be found today in Giorgio Agamben's in-depth analysis of «economic theology», a key-concept in his thought. Really, Agamben does not refer so much to Marx as to Carl Schmitt (particularly to his concept of a «political theology» secretly orienting the theory and practice of power in the West). According to the German philosopher, the political categories of what he calls *jus publicum europaeum* transfer those of Christianity; the process of secularization has only masked their religious provenance, but the whole category system of Western politics remains unconfessedly theological. According to the Italian philosopher, in addition to Schmitt's «political theology», we should consider an «economic theology» as

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<sup>29</sup> See also: Anitra NELSON, *Marx's Concept of Money. The God of Commodities*, Routledge, London 1999; Philip GOODCHILD, *Theology of Money*, Duke University Press, Durham (NC) 2009.

well. Both influenced by the Trinitarian paradigm, the two have gone side by side not without serious conflicts. Nay, says Agamben, all of Western history results out of a relentless struggle between the «political-theological paradigm of the Kingdom» and the «economic-theological paradigm of the Government».<sup>30</sup> Needless to say, the last decades have seen the triumph of the economic paradigm over the political one. Everywhere. Even within the most sacred enclosure of knowledge and learning: the University, where the language of figures and yields has replaced the humanistic categories of Humboldt's *Universitas studiorum*, while even professors and their students are compelled to conform their careers to the hegemonic paradigm of *homo oeconomicus*.<sup>31</sup>

Let us go back to Agamben. His idea of an economic theology siding the political one entails that economic categories no less than political ones come into our modern, secularized culture out of religion. All of them: beginning from the very concept of «economy» itself. In fact, the Greek term οἰκονομία soon loses the original meaning of a «proper management of one's house», as in Aristotle, and re-appears in the Church Fathers to signify the Economy of Salvation. Clearly, the Patristic meaning does not refer any more to the (human) management of one's house, rather to the (divine) management of the whole world: some kind of *Lex Aeterna* governing the production-

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<sup>30</sup> G. AGAMBEN, «Dalla teologia politica alla teologia economica»: interview by Gianluca SACCO for *Rivista della Scuola superiore dell'economia e delle finanze*, 2004: <http://rivista.ssef.it/site.php?page=20040308184630627>

<sup>31</sup> The University – we are told every day – must be a *well-managed enterprise*, where researchers and lecturers are *personnel units* or, in the best hypothesis, *human resources*, while their *products* (i.e. their researches) get a quantitative evaluation aimed at calculating a proper *allotment of funds* according to certain *indexes* and, obviously, within a generalized *competition regime* among individuals, departments and universities. As to students, they are invited to consider higher education as a *value-added* opportunity; therefore, they enter university to increase the *human capital* whereof each of them is a holder and, when admitted on the basis of a *self-evaluation test*, they are supposed to bear a *demand* for education and training, liable to be translated into a number of *professional profiles*. Such an *aggregate demand* is to be matched by a corresponding *supply* of educational good and services, i.e. the *didactical offer* each university can put on the higher education market. From it the student will hopefully take *profit*: something liable to be measured as an algebraic sum of *debts* and *credits*. The same as the professors' teaching engagement, which is in fact yearly measured and evaluated by means of an *estimate* and a *final balance*. In other words, also professors as well as their students are compelled to conform to the hegemonic paradigm: that of *homo oeconomicus*.

distribution-circulation of Divine Grace. And all that in close connection with the paradigm of the Holy Trinity, which emerges in Christian doctrine in the same period. So, there you have: the Heavenly Father, being the source of all Grace; His son, or God made Man, and sent to distribute the Divine Grace by means of His own sacrifice; and the Holy Spirit, allowing the Grace to circulate between Father and Son, heaven and earth.

One risks to forget it, but it is only in the modern age that the word «economy» loses any reference to the Divine Grace, and gains its secular meaning of «political economy», dealing with the production-distribution-circulation of purely *earthly goods* at the intermediate level of the *State* (which is much more than the house, but also less than the cosmic order). The term however keeps a strongly «salvific» connotation, even though in the sense of an earthly «salvation», which appears itself secularized (as a proper management of riches and wealth, aimed at both private citizens' safe maintenance and the State's public prosperity). Of course, only those who know the eternal laws of such a «proper management» (of souls yesterday, of riches today) will be legitimated to take on the government of their community. Therefore, «economy» as a source of legitimacy.

Certainly, what changes is the Institution that, by means of such a *voμία*, appears legitimated to become the only wise administrator of all men's «salvation». Yesterday, *extra ecclesiam nulla salus*; today, *extra mercatum nulla salus*.<sup>32</sup> In every field (including university)!

### ***The new Trinity of today's economics.***

Freely developing both Marx's and Agamben's suggestions, it seems to me that *homo œconomicus* has become, in today's ideology, the central

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<sup>32</sup> I am not (nor is Agamben) the first one to propose this Latin pun, where the Market takes the place of the Church. The same joke can be found in some theologians' bitterly ironic pages: a Pole – namely, Józef NIEWIADOMSKI, «Begegnung von Religionen im weltzivilatorischen Kontext», in R. Schwager (hrsg. von), *Christus Allein. Der Streit um die Pluralistische Religionstheologie (Quaestiones Disputatae, 160)*, Herder, Freiburg 1996, pp. 87-88 – and a well-known representative of the Theology of Liberation, i.e. Franz HINKELAMMERT, *Hacia una crítica de la razón mítica. El laberinto de la modernidad*. Arlekin, San José (Costa Rica) 2007.

ingredient of a newly emerging Trinity such as to let true theologians fall into despondency: kind of a new Christ, being the blasphemous incarnation of a heavenly idea of Reason. An idea – I will soon add – philosophically mal-founded and psychologically implausible, being little to do with any possible and/or desirable rationality of flesh-and-blood men and women. Yet, an idea that is, nevertheless, proposed as an ideal of perfection to be universally adored; even more, a god unceasingly asking for new «sacrifices». A god that, although dying (in the same sense in which Dostoevskij and Nietzsche told us that «God is dead»), still finds churches and priests.

Of this modern god, *Homo œconomicus* is the Son. The economic crisis is his Passion (and ours). Why do I say so?

I will resort to Giuliano Aluffi's words (but he is certainly not the only one to think so):

«Among the many victims of the global crisis is the *homo œconomicus*, that rational being who, according to the neoclassic economists, is always able to decide maximizing his utility. His epitaph is the *mea culpa* recited by Alan Greenspan in front of the Congress on October 28th 2008, when the ex-governor of the Federal Reserve, in deep embarrassment, admitted to never having done anything to prevent the crisis, confident like he was that the banks would rationally act to protect their own interests, so protecting the stockholders as well. It did not go like this. Yet thirty years have passed since the psychologist Daniel Kahneman, Nobel prize winner for economics in 2002, demonstrated that economic choices are studded with errors and irrationality».<sup>33</sup>

To be true, on a doctrinal level (as I say in my book), the victims of the global crisis are not one but three. Together with the *Homo œconomicus*, who rants about in Latin, two more victims agonize (this time in English): the *Rational Choice Theory* (at least in its first and classic formulation, which is in fact being re-visited and corrected), and – third – the *Efficient Market Hypothesis* (which could be possibly saved in the more limited and narrow

<sup>33</sup> G. ALUFFI, «L'economia scienza razionale? Per niente, parola di Nobel», interview with Daniel Kahneman, *Il Venerdì/la Repubblica*, March 13 2009, pp. 64-67.

sense of *relatively* efficient markets, provided it brings itself to recognize the importance of certain conditions *external* to the market (in particular, legal conditions, but also cultural in a broad sense).

Et voila, there we find the Holy Trinity of today's ideology: (1) *RCT*, (2) *Homo oeconomicus*, (3) *EMH*!

Its First Person (the Father) corresponds to the primacy of instrumental/utilitarian/strategic/selfish rationality, whereof the *RCT* is the mathematical formulation. Far beyond the economic sphere, economic rationality «dwelt everywhere, filling heaven and earth with his presence». Pierre Dardot and Christian Laval call it «la nouvelle raison du monde, qui fait de la concurrence la norme universelle des conduites et ne laisse intacte aucune sphère de l'existence humaine».<sup>34</sup> There we look for (and find) the *Lex aeterna* whereby the Universe has its order. And – again in the footsteps of Thomas Aquinas – also the *Lex divina* with which all must comply, as well as a *Lex naturae* which is *ab origine* imprinted in all human creatures, and in the creation itself. To be more explicit: the *RCT* becomes kind of a *Divine Law in its normative version* (dictating the way everyone ought to behave for one's own sake), while it is supposed to be *Natural Law in its descriptive version* (when it claims to account for all human behaviours, like they really are). Face to such Laws with a capital L, what can the *lex humana* (i.e. the rules of positive law, smallest like they are) do, if not comply with them or – even better – step aside, and get out of the way? Let us put it as follows: like «political theology» initially entails a jusnaturalistic vision of the State and the political sphere in general, so does «economic theology» silently propose a kind of economic jusnaturalism.

The Second Person of today's Trinity, or God's Son, is the strange figure economists call *Homo oeconomicus*. Which is the proper Incarnation of instrumental rationality and the divine herald of *RCT*, as explained above.

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<sup>34</sup> P. DARDOT, C. LAVAL, *La nouvelle raison du monde : Essai sur la société néolibérale*, La Découverte, Paris 2010; Eng. trans. *The New Way of the World: On Neo-Liberal Society*, Verso Books, London & New York 2014; It. trans. *La nuova ragione del mondo. Critica della razionalità neoliberista*, DeriveApprodi, Roma 2014.

*Verbum caro factum est*, « the Word was made flesh, and dwelt among us, and we beheld his glory, the glory as of the only begotten of the Father» (John 1:14). I just said: a figure *which* is the proper Incarnation of instrumental rationality, and the divine herald of RCT. On second thoughts, we had better say: somebody *who* is the Incarnation of economic rationality, since *he* appears to be a human subject (the only one) whose conduct is perfectly consistent with the *dictamina rectae rationis*, i.e. the RCT. In other words, *Homo oeconomicus* is the «Economic Man» in a double sense: in fact, he is a *human* (however mythical) subject, and indeed is he a *male* subject as well (like the feminist critique of such authors as Doris Schroeder e Rosemarie Ortner has convincingly demonstrated).<sup>35</sup> Talking of *Homo oeconomicus*, therefore, we are perfectly legitimate in saying that He (not It) is the Son (not the Daughter) of the Economic Reason governing the whole world.

And here we come to the Third Person of today's Trinity: the logics of marketism, whereof the EMH offers the doctrinal justification. Like the Holy Spirit, market and money «make the world go round». Shakespeare knew it very well: money speaks all the languages in the world. Whence the current image of global finance as the pentecostal glossolalia of our times!

Needless to say, the Three are One, and work together. Within the traditional theology of theologians, the idea of Providence is tied to that of an all-seeing heavenly Father who *turns evil into good*. As Abraham said (Gen. 22:14): «The Lord will provide». Of course, we do not expect Him to «provide» on a case by case basis, nor to openly and immediately intervene at any single event; rather, He is supposed to invisibly and indirectly intervene by means of *general laws* infused into the world on the very moment of its creation (such is the thesis emerging in the theological debate on the nature of Providence, opposing nominalism to occasionalism in the XVII century). Exactly the same way, the utilitarian (and selfish) rationality that all men are supposed to have by nature shall give rise to an interplay where *private vices become public*

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<sup>35</sup> Cf. S. CARUSO, *Homo oeconomicus*, cited above: § 6.12. «L'homo œconomicus non piace alle donne», pp. 77-82.

*benefits*, and an unceasing growth of the wealth is put into motion. Such a miracle can Homo oeconomicus indeed get, but not alone: with the help of the Market providentially governed by an Invisible Hand.

If Agamben is right in saying that in all the concepts of political economy (not only in those of modern politics) one can recognize theological concepts scantily disguised, and hardly concealed under a secular mask – if all that is right, well, the Smithian notion of «invisible hand» (a concept likely to have its roots in the Stoics' philosophy) can be taken as the best and most convincing example: in the Market does the Logos reveal itself, and let itself be known. To be true, the neo-stoic Smith is pretty cautious about that. Far less catiously, the wannabe Smithians of today advocate for – or better: preach – a wild market with no rules. And upon that give battle with the same ardour and fury as in religion wars, as though defending a faith, and a dogma, that nobody is allowed to question: *extra mercatum nulla salus!*

To be sure, such dogmas as the RCT and the EMH can be, and are, mathematically formulated. Those formulas however did not prove able to explain – let alone prevent – the vast deployment of irrationality and inefficiencies of the last years' economy. Very much like the alleged «demonstrations» of God's existence (including Gödel's mathematical one), that never could prevent, or only explain, the actual presence of evil in human life. Indeed, the economists' «theology», not otherly than the theologians' one, requires an act of faith. And both include a theodicy, i.e. a universal history of salvation. Believe in the *Homo oeconomicus*, for He is the only One who can redeem our misery! And be – all of you – like He is! Such is the new *imitatio Christi* we are ordered to comply with. In fact, what does the Homo oeconomicus say to anyone of us: «I am the way, the truth, and the life»: those who believe in me will be saved! Such is the fairy tale we have been told for over a century, and the modern salvation myth in which so many believed.

***Homo oeconomicus, the Second Person of today's Holy Trinity: nativity, presentation in the Temple, confounding the elders, relating to moneychangers.***

How shall I sum up, and conclude? This figure, Homo oeconomicus as the modern embodiment of selfish rationality, was born in the 18th century and had its early infancy all along this century, and the following one. Sooner than the economists, such writers as George Lillo and Christoph Martin Wieland in the 18th century (as well as Goethe, Dickens, and many others later on) acknowledged its novelty and meaning, and contributed to make it popular by staging examples of *homo oeconomicus* in their works.<sup>36</sup> So, there we find its birth or, I should say... *His Nativity*. However, it is only many years after, between the 19th and the 20th century, that this figure gets a name thanks to Marshall, Pantaleoni, and Pareto, who shall be considered the authors of *His Presentation in the Temple* (I mean: the «temple» of academic economics within many European universities). While Jesus was at that time undoubtedly *circumcised*, the figure said *Homo oeconomicus* is only supposed to be *circumscribed* within clearly defined limits. In fact, for such authors as Marshall, Pantaleoni, and Pareto, *homo oeconomicus* was but an «idea of Pure Reason» which only admitted of a «regulative use» (in the sense of Kant); but the child slips from their parents' hands, and becomes much more than this. Still a boy, again Homo oeconomicus shows up at the Temple, this time alone, and there *He confounds the elders* (i.e. the doctors of academical economics). So He finds a growing number of disciples and believers, who end in seeing in His apparition much more than a «regulative idea»: rather, kind of a Universal Revelation of Man's destiny: sort of *Lumen Gentium!* On the basis of this new faith the great ones of the past (Adam Smith, John S. Mill) have been forcedly re-interpreted as *kind of Prophets, foretelling the Advent of Homo oeconomicus, and announcing His Glory.*

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<sup>36</sup> *Ibidem*: Ch. 3, § 2.2., «Il contributo dei letterati», pp. 16-18.

Of course, there are enormous differences between the two: Jesus Christ and *Homo oeconomicus*. In the case of Jesus, the image of Him Who matches the Prophets' expectations, had to be won. Like Nehemiah had risen against the merchants violating the Sabbath (Nehemiah 13: 15-22), so Jesus – in the Temple cleansing episode reported by the four Gospels – overthrows the tables of the moneychangers, while saying: « My house shall be called the house of prayer; but ye have made it a den of thieves» (Matthew 21: 12-13). In our case, instead, the figure of the *homo oeconomicus*, once raised from the original status of a limited hypothesis to the rank of Universal Revelation, does not match anymore the caution of his “prophets” (none of them, neither Smith nor Mill, ever dreamt of making the whole of men’s living in common coincide with market-like economic relationships, nor did they ever assume the market to be the only instrument whereto the allotment of all material goods should be entrusted). Yet, what does *Homo oeconomicus* do? Back to the Temple for the third time, He finds merchants and moneychangers crowding before its gates; and *instead of driving them away He lets them in!* In other terms: what disappears is the boundary between the economic science of academical economists (the Temple), and the practical knowledge of brokers and financial speculators. Particularly in today’s Schools of Business, where the idea of *Homo oeconomicus* (debased to that of a greedy man, cunning and without scruple) finds the most enthusiastic of its Apostles. Being greedy, *dignum et justum est*: that is the new doctrine. «Greed is good» – says Gordon Gekko, the unforgettable stock exchange shark of *Wall Street I* (1987). Most people think this sentence Gekko utters is just movie fiction, but they are mistaken. The words Oliver Stone put into Michael Douglas’s mouth correspond almost literally to those actually pronounced by Ivan Boesky (a stockbroker convicted of insider trading) during a lecture given at the Berkeley Business School on May 18th 1986 (one year before the film appeared).<sup>37</sup>

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<sup>37</sup> *Ibidem*, p. 94 n.

***The Passion of a false Redeemer, or: Homo oeconomicus lays the cross upon our shoulders.***

Along with the coming of neo-capitalism and the consumer society in the Sixties, and of turbo-capitalism and the debt society since the Eighties, the idea of *homo oeconomicus* rises to the rank of crucial figure of «capitalism as religion» (like Walter Benjamin had forecast as early as 1921).<sup>38</sup> Within this framework, the economic crisis begun in 2007-08 can be given the symbolic value of a *Götterdämmerung*. In the crisis, *Homo oeconomicus* find its *Passion*. Its priests – better: His priests – assure that *He is going to resurrect*, nay, that *all of us shall rise to new life*; if only our faith is kept, and market dogma is not questioned.

There is something of a paradox, and, if you will, something satanic in this myth. Within the Christian tradition – think of St. John Chrysostom, of Kierkegaard, of certain theologians of today – the typical features of the *homo oeconomicus* – greed and selfishness, well-served by a purely instrumental rationality – are in fact considered as possibilities, or fatally recurrent temptations, in a way intrinsic to human nature but, exactly for that, also the confirmation of our fallen nature, and an expression of the original sin, that only the faith in Christ can remediate. Both Stephen Bainbridge and Mark Sargent highlighted, although with different accents, the substantial similarity

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<sup>38</sup> Cf. W. BENJAMIN, *Kapitalismus als Religion* [Fragment 74, 1921], in *Gesammelte Schriften*, hrsg. von Rolf Tiedemann/Hermann Schweppenhäuser, Frankfurt/Main 1991, Bd. 6, 100 ff. Eng. trans. by C. Kautzer, in E. Mendieta (Ed.), *Religion as Critique: The Frankfurt School's Critique of Religion*, Routledge, New York 2005, pp. 259-262 (online: [http://www.rae.com.pt/Caderno\\_wb\\_2010/Benjamin%20Capitalism-as-Religion.pdf](http://www.rae.com.pt/Caderno_wb_2010/Benjamin%20Capitalism-as-Religion.pdf)); It. trans.. *Capitalismo come religione*, Introd. di Carlo Salzani, Il Melangolo, Genova 2013. To go deeper into the whole question of capitalism as a religion, and economics as its theology, let me cite a contribution of my own, freshly published online: S. CARUSO, «L'homo oeconomicus come figura teologica e Seconda Persona della Trinità contemporanea», *Lessico di etica pubblica*, Rivista del CeSPeC (Centro Studi sul Pensiero Contemporaneo), Vol. 4, No. 2/2013: [www.eticapubblica.it](http://www.eticapubblica.it). In spite of the title (much resembling that of the article you are reading), and apart from the conclusion (partly coincident with the thesis of the New Trinity I uphold hereby), the contribution cited above also proposes a critical review of a wide range of authors that are not at all considered in the present article (Walter Benjamin, and many others), all dealing with the same issue of capitalism, and economy, as the new religion of our time.

between the idea of *homo oeconomicus* and that of the «fallen man».<sup>39</sup> Well: changing from theologians' authentic theology to the economists' implicit one, *that which had been for centuries the sad image of the sinner to be redeemed, turns into the glorious image of the Redeemer Himself!*

A false Redeemer, to be true. For two reasons. First, because *Homo oeconomicus* (along with all the Gekkos and the Boeskys around the world), when tempted by the Devil saying «All that you see will be yours», not only yields to the temptation, but even exhorts all others to do the same: «greed is good». So, there we have a pseudo-Redeemer, who goes so far as to become Satan's accomplice! Second, because *Homo oeconomicus*, when the time comes of his Passion, instead of taking it on... delegates his suffering, and lays the cross upon somebody else's shoulders! That is exactly what has happened in these years of economic crisis, when the (very very few) really existing *homines oeconomici* of flesh and blood – I mean: the global finance top management – have freed themselves of any responsibility, and laid the cross on *our* shoulders: onto the *poveri cristi* (an idiomatic expression we use in Italy for «poor fellows», or «ordinary people»). I obviously refer to the current ideology of the «sacrifices» all of us are called to make, as preached by the Highest Priests of today's world economy: the WB, the IMF, the EC, and – worst of all – the CRAs.<sup>40</sup> Such an ideology is – in its way – a theology of Salvation, tightly tied to the strange Trinity I just tried to shed light on. Within this theology, the new Christ whose name is *Homo oeconomicus* appears primarily anxious about saving Himself, and there is no Self Sacrifice we can await from Him. Instead of a unique Event such as to open a new era, instead of the Sacrifice with a capital S, instead of the long-longed-for stipulation of a New Alliance between economic rationality and mankind, between rational choice and public choice, instead of all that, the only thing that today's economic theology can offer us is a massive iterance of small sacrifices that

<sup>39</sup> Cf. M. SARGENT, *Utility, the Good and Civic Happiness: A Catholic Critique of Law and Economics*, «Journal of Catholic Legal Studies», Vol. 44, 35, 2005, pp. 35-55 (online: <http://tci.edu/media/3/92aa44c903fe410e931306ccca858927.pdf>).

<sup>40</sup> I.e. the World Bank, the International Monetary Fund, the European Commission, the Credit Rating Agencies.

inaugurate nothing. Nay, sacrifices aimed at restoring the *status quo ante* – as though no crisis had ever taken place!

The final question is: can *Homo oeconomicus* survive His Passion? Can He «rise from the dead», and actualize His Transfiguration? In other terms: can this figure undergo the theoretical (and practical) reformulation that some of us, beginning from myself, deem both possible and necessary? The answer is: maybe. To be more explicit: yes, it may resurrect if, and only if, we let the old versions die, and begin working upon a quite new idea of economic rationality, within a quite new narrative framework. I mean: within a framework where the model said *homo oeconomicus* be no longer the absurd image of an emotionally indifferent *déraciné*, sort of Stranger with no ties, supposedly coincident with the whole of human nature, rather a window on *today's* economic relations from the point of view of *social* psychology.

In other words: stories may be useful, but now we need to start telling ourselves another story.<sup>41</sup>

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<sup>41</sup> This text offers a revised and much enlarged version of the Keynote Lecture I was invited to give at the XII AISPE Conference (held in Florence: February 21-23, 2013). I am grateful to Amy Klein for helping translate the original paper, and to Debora Spini for helping revise the enlarged version. All rights are reserved to the Author.