

# Theoconomy: An ethical paradigm for economic prosperity



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## Dates:

Received: 13 Aug. 2018  
Accepted: 28 Nov. 2018  
Published: 07 Mar. 2019

## How to cite this article:

Walters, J., Vorster, J.M., Rheeder, R. & Venter, J., 2019, 'Theoconomy: An ethical paradigm for economic prosperity', *In die Skriflig* 53(1), a2401. <https://doi.org/10.4102/ids.v53i1.2401>

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The Parliament of the World's Religions made a call to the international society to find shared values that could effectively direct the new world order that is characterised by its polycentric and heterogenous character. In response to the call and informed by the Global Ethics Project, a research study was conducted under the auspices of the Unit for Reformational Theology and the Development of the Society, at the North-West University, South Africa. The study focused on how the global economy could be organised differently in order to address the severe anomalies of superficial ethics of materialism, instant gratification and the philosophy of futility that underlies the unfettered consumerism of the secular age. The study therefore searched for a new framework of flourishing or an ethic paradigm for economic prosperity. The study introduces a new ethics labelled *Theoconomy*. In this article, the epistemology and ontology of the research study are expounded.

## Introduction: The Parliament of the World's Religions

The Parliament of the World's Religions convened in Cape Town, South Africa, during the summer of 1999. On this occasion the Council of the Parliament reflected on the critical issues of our time. They concluded that the critical issues of our time could not be resolved by economic plans, political programmes, or legal regulations alone (Parliament of the World's Religions 1999:8). What was indeed required, according to the Parliament (1999:8), was a change in the inner orientation of life. At the time, the Parliament highlighted the critical issues of our time as the unrelenting demand on the earth's limited resources; growing divide between rich and poor; aggravated injustice; lack of spiritual direction and the disintegration of communities. These critical issues manifest in many ways, notably depletion of national resources, inequalities between societies, poverty, unemployment, skewed resource allocations, economic dominations, pollution, economic war, wastage, corruption, exploitation, et cetera. The Parliament therefore called on the international society to search for shared values among all people of faith in order to guide society towards solving these critical issues.

These critical issues manifest most vividly in the economic sphere of human existence. More pertinently, in the way individual economic behaviour and preferences are shaped and guided. Therefore, in response to the call and informed by the Global Ethics Project, a research study ('study') was conducted under the auspices of the Unit for Reformational Theology and the Development of the South African Society at the North-West University. The principal research question of the study focused on the analysis of the need for and the content of a new ethical framework that could shape and guide economic preferences and behaviour of individual persons in a manner that could overcome the present day superficial ethics and ultimately result in an economic order that is more discernible; an economic order that is more earth friendly, peace fostering and socially just. In the study, *Theoconomy* as a new ethics and economic model has been proposed whereby individual economic behaviour and preferences are reshaped and guided by shared theocratic ethical principles and virtues.

In this article, *Theoconomy* as a new ethics paradigm for the economy is introduced. The article set out the epistemology and ontology of the study and offers a brief summary of the events leading up to the principal research question; the method employed in solving the research question; the research results and what the implications of the research findings are.

## Superficial ethics

The prophetic call by the Parliament of the World's Religions, preceded the collapse of the financial sector in mainly the western societies with its Neo-Liberalist economies during 2008 to 2009. This collapse caused an economic recession with dire economic and social consequences to this day.

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Economic and financial crises as we have experienced since 2008 to 2009 is nothing new, but the crises that unfolded had a new dimension (Lightbown & Sills 2014:vii). It has laid bare, argue Lightbown and Sills (2014:vii), 'the shallow ethics' that are prevalent in society today. Indeed, it shows superficial ethics that are underlying the depletion of resources, inequalities between societies, consumerism, unethical corporate conduct, corruption and selfish pursuit for material liberation and domination of one over the other – one nation over another, rich over poor, elite over the disenfranchised, employer over employee, material freedom over poverty and ultimately humans over nature.

These critical issues, manifest primarily in the economic household and therefore, argue Andrew Lightbown and Peter Sills (2014:vii), a new response to the deficiencies in the way we ought to organise the economic household today is needed. The study followed the same thought process when addressing some of the critical economic and ethical issues that face humanity in our time. Lightbown and Sills (2014:vii) offer a new approach, which they term *Theonomics*, the basic tenets of which are rooted in Christian principles. The ontology of this study is, however, different. Due to the present-day polycentric and heterogeneous character of the global economy, the fundamental tenets, values, perspectives, assumptions and principles of the way the postmodern society ought to tackle the deficiencies should rather be informed by a global ethic. A global ethic that relies on the hope, strength, wisdom, vision and words that we as a global heterogeneous community draw from as our shared commitment and dependence on an ultimate reality. Hence, a new term, '*Theoconomy*', is introduced in the study. This very important aspect of the study will be further ventilated in the subsequent paragraphs to follow.

For now, let's return to the underlying reasons for the superficial ethics that are underlying the many deficiencies within the economic household. Fundamentally, the underlying reason for the superficial ethics, or differently said, superficial attitude, is because humans' ethical and moral orientation and approach to life have become questionable. Humanity's disposition or mindset has become defiled and people's approach to life has changed. Cupitt (1999:218) argues that history has 'ended' in a sense and that people no longer have any belief in progress or in linear eschatological time. According to Cupitt (1999:218), humankind no longer believes in a 'better thereafter'. For this reason, Cupitt (1999:218) argues 'that humans are no longer filled with hope, as they are no longer gripped by any of the old stories [*Catholic, Marxist or Liberal*] that used to fill them with hope'. Cupitt, in our view, is very harsh in his conclusion that the classic stories (theories and theologies) have lost their narratives. The master narratives of the world's religions and the classic economic theories underlying the ethics of humanity are still very valid. However, the hypothesis is that the modern civilisation is at a loss regarding the metaphysical or the transcended nature of life. This has indeed a very strong bearing on society's ethical and moral orientation and

is the cause of a change in attitude towards life and its meaning, especially within the economic sphere of being.

Vaclav Ravel (as cited by Kamran Mofid 2005) came to the same conclusion. Ravel says:

I am persuaded that [*the present global crisis*] ... is directly related to the spiritual condition of modern civilization. This condition is characterized by loss. The loss of metaphysical certainties, of an experience of the transcendental, of any super-personal moral authority and of any kind of higher horizon. (p. 2)

According to Ravel (Mofid 2005:2), 'it is strange but ultimately logical: as soon as people began considering themselves the source of the highest meaning in the world and the measure of everything, the world began to lose its human dimension and humans began to lose control of it'. The 'loss' culminates in a lack of commitment and excessive emphasis on rights and individual and group interest, while at the same time trying to discard responsibilities, or at the best, unashamedly work towards maximising benefits and control over resources, with limited regard for the consequences. At the end, the inequality between rich and poor, poverty, corruption and unfettered consumption of the unlimited resources continue unabated.

More specifically with reference to the South African context, major strides in nation building and the economic empowerment of the previously disadvantaged individuals, and the poor particularly, have been made since the dawn of the new nation in 1994. The people of South Africa have established the necessary social processes and have upheld a fair degree of economic prudence in tackling sensitive social-economic challenges such as poverty, unemployment, land restitution and equal opportunities to give effect to the new ethos of the nation; this being built on the tenets of the Neo-Liberalist economic model. However, socio-economic progress, greater equality and real economic transformation and restitution cannot succeed if the plans, programmes and policies are not carried out by honest, prudent and committed people. Good intentions are going astray because people are not ethical and moral in a way that serve the greater good (Vorster 2007:262). In many ways, the 'loss' that both Cupitt and Ravel refer to, is most evident in the South African society.

As the 'loss' influences a person's attitude and fundamentally a person's economic behaviour and preferences, the 'loss' is manifested in human attitude. This is the most fundamental cause of the present-day excessive consumerism, economic and financial exploitation by business executives, excessive profit-taking, violent labour strikes, unproductiveness, pollution, corruption, state capturing and unethical conduct at all levels, to mention but a few challenges of modern society and especially of the South African society.

We therefore join Hans Küng, President of the Global Ethics Foundation, in raising the question whether it is possible to continue enjoying economic prosperity without better respect for human responsibility (ethics). Küng (1998:82) raises the

question of whether we do not perhaps need a new emphasis on responsibilities (ethics) to balance all the justified insistence on rights. *After all, no sustainable prosperity is possible in an unsustainable society.* Likewise, a 'kingdom' or more pertinently a *household* divided is at war with itself. A 'cold war' that has no winners but only losers. A society 'at loss' will not be coherent and competitive in a global village with relative borders and many alternative options to explore. Differently put, a society that care for its humaneness, its ethics and morality and treasure its ethos, will be most flourishing, but a society at 'loss' will struggle and dissipate. Therefore, the superficial ethics of the modern civilisation must be corrected if society desire lasting prosperity.

## Framework for flourishing

It is indeed for each individual or society separately and jointly to decide on the way forward. For many people the answers to the critical issues (particularly those of an economic nature) lie in advocating an even higher rate of consumption and spending as a basis for a sustainable prosperity that would undo all evil. More people would be employed, and greater material freedom and prosperity would be achieved. They are those among us that propagate consumerism and market fundamentalism (limited Government involvement). They argue that the so-called *invisible hand* of selfish pursuit will continue to result in greater wealth than in the past. The individual propensity of humans, they argue, should remain the only basis of a person's economic behaviour and preferences. Others argue that the solutions are to be found in a welfare or social-democratic state, which is built on the social tenets of equality. Others, however, would argue for a stable state economy, where economic growth remains static or at least stable (see Walters 2018:265).

Despite all these well-intended arguments, the current instability of the global economic order, the growing divide between rich and poor and the relentless pressure on the earth's limited resources, are only three indicators that the Neo-Liberalist and Social Democratic economic models do not effectively address the critical economic issues of our time (Küng 1998:205). Although these models have contributed to the prosperity that the modern society has enjoyed, the root cause of the current inefficiencies of these models is, among others, that humans' ethical and moral orientation and approach to life have become questionable.

The moral and ethical framework underlying economic behaviour and preferences – individually within the context of the Neo-Liberal model and collectively in terms of the Socialist model, are poorly defined and poorly entrenched in the moral fibre of society. In our view, Küng (1998:59) is right in saying that current economic modelling, proposals and plans to address deficiencies in the economic household should therefore incorporate a new paradigm of ethics that ought to shape and guide economic behaviour and preferences of individual persons. A paradigm that combines a sober perception of self-interest with a basic ethical orientation is necessary. To put it differently, the 'framework for flourishing',

as Lightbown and Sills (2014:ix) argue, is not prevalent or not clearly perceived at a personal level and has to be entrenched. Therefore, an ethics paradigm must be formulated to shape and guide economic behaviour and economic preferences of individual persons. As the wellbeing of persons and communities are central to every economic activity or decision, be it at a personal, corporate, societal or government level, the absence or lack of an ethical and moral framework is vital. Such a framework constitutes the core from which all other economic decisions and activates emanate.

The question is how this framework should be construed, especially in a postmodern society that is characterised by polycentricity, heterogeneity, a-dogmatism and authenticity (Walters 2018:313). This is indeed the problem that the study is trying to solve. The notion of the study is that the framework should consist fundamentally of ethical principles and virtues that contrast the characteristics of contemporary individual economic behaviour and conduct. Such behaviour consists of selfishness, greed, laziness, mistrust, wastefulness, aloofness, obesity and opulence. At an individual and personal level, such an ethics framework would include good judgement in spending, thriftiness, trust and solidarity, obedience and submission to law and order, a greater propensity to save and preserve, physical and mental exuberance and vitality, openness to other cultures and people, and lastly but not the least, charity and sharing of wealth and resources.

But how should such an ethics framework be formulated? What needs consideration, is how such an ethics framework should be formulated in concrete terms. According to Küng (1998:104), the important substantive question is: on what basis should the concrete normative judgements that are constantly required of men and women be made? Should one perhaps start at zero – with an appeal to the initial autonomous reason? Or can the great religions of humanity perhaps offer points of contrast for a formulation of an ethics framework? Or should we reassess the classical values and virtues, as so diligently articulated by classical philosophers such as Aristotle, Plato and Adam Smith?

Regarding these various options, we concur with the analysis that although the world's religions have different doctrines, they all advocate a common ethic of basic standard that could delineate the direction, method, purpose and attitude of an individual person's economic behaviour and preferences. These shared ethical principles and virtues are not arbitrary values but rather deeply rooted in the various religions and spiritual traditions. For this reason, the ethical principles and virtues are very intimately related to the transcendental nature of life (Küng 1998:105) and, more particularly, the eschatological view of life. As the ethical principles and virtues have a spiritual and transcendental nature, each person individually and each society collectively should clarify what may be called the 'end game' – the ultimate meaning of life and, specifically, the purpose of our economic activities. At the macro-economic level, this would include the ultimate meaning of the production, distribution and

consumption of goods and services. At a micro-individual level, it would include the purpose of one's labour, relationships and consumption of goods and services. Differently put, the question would be: for what reason are we pursuing our economic preferences and why do we act in a certain way? Are we doing so purely and primarily to meet our relentless cravings, desires and aversions, or are we working towards a greater good?

It is within this context that the call by the Parliament of the World's Religions (1999:4) entails engaging in thoughtful dialogue with persons of other traditions and cultures, and searching for effective ways of bringing the attention, energy and influence of religion and spirituality to bear on the critical issues. The guiding influence of the world's religions and spiritual traditions are indeed critical in setting the 'end game' or eschatological view as the context in which we should establish a common end goal. The Parliament (1999) contextualises it in this way:

Visions of the World – as it might be – have always found expression through the world's religions. These traditions embody human aspirations for meaning and purpose in life, for respect and mutuality between diverse people, cultures and religions, for justice and peace, for the alleviation of suffering and for harmony with the earth. (p. 4)

Indeed, a glimpse that should resonate through the ethical principles and virtues that ought to direct individual economic behaviour and preferences. The relevance and influence of the world's religions and spiritualities in shaping and guiding human behaviour and preferences are therefore inalienable with continued and sustainable human prosperity.

However, considering the principles of '*Sovereignty in own spheres*' the best entry-point into any examination of an alternative ethics paradigm for the *economic household*, particularly in western societies, is to examine the ethics of Adam Smith (1723–1790), the father of Capitalism. The best epistemological approach is to reassess the classical ethics of Adam Smith that are underlying his conceptual universe of *Capitalism*. In so doing, the viability and validity of his ethics as shared values for the postsecular civilisation can be assessed. In his ethics, Adam Smith offers a teleological and eschatological framework for human conduct within the economic sphere of being, or if you wish, an ethics that ought to guide and shape humans' economic behaviour and preferences. This teleological and eschatological framework are clearly articulated in Adam Smith's seminal work, *The theory of moral sentiments*. The agreeable moral and ethical sentiments in this seminal work have shaped the conceptual universe of the classical capitalist model upon which the Neo-Liberal theory was founded by modern economists like Milton Friedman, and that constitute the foundation upon which many societies organise and sustain their economic households.

The conceptual framework of Adam Smith's ethic and economic thinking has been carefully constructed, encompassing ethical theory, moral philosophy, jurisprudence

and philosophy of science (Oslington 2013:1). This universe according to Friedman (2011:166) is founded upon 'a variety of fundamental resonances between economic thinking and religious thinking'. For this reason, Viner (1972) insists that:

Adam Smith's system of thought including his economics is not intelligible if one disregard the role he assigns in it to the teleological elements. (pp. 81–82)

But today, contemporary economics is a long way from Adam Smith's ethics (Oslington 2013:6). For reasons that will become clear, the process of secularisation of human life and the associated worldview that followed since the period of Enlightenment and the advancement of the Doctrine of Positivism have led to the expungement of the ethics underlying Adam Smith's conception of the 'Invisible Hand'. The banishing of the ethics (together with the meaningful discussion of the teleology and the eschatology) from the economic discourse and narrowing the focus to *efficient cause*, have arguably assisted the theoretical and empirical advance in economics over the past centuries (Oslington 2013:6). However, according to Oslington (2013:6), 'it has hindered [*the*] capacity of economics to engage with the really big policy questions, those [*that*] touch our deepest hopes and sense of justice'. Accordingly, the future according to Oslington (2013:6) that 'economist's take to their fellow human beings, is the same as the present just with further growth of income and consumption'. As Paul Fiddes (cited by Oslington 2013:6) puts it: 'There is hopelessness of a future that is an inexorable extension of the present'. Adam Smith, asserts Oslington (2013):

... could have engaged with these issues because his system had an end that was not just an extension of the present but an imaginative space in which to re-conceive present possibilities. With the demise of the teleological and ethical foundation, the present economic discourse has become deficient and requires a paradigm shift. (p. 6; for a more detailed examination, see Walters 2018:280)

Therefore, in trying to formulate shared values as a 'framework of flourishing' or ethics that ought to underly the economic behaviour and preference of individual persons, we should return to *first principles*, or if you wish, to the ethics of Adam Smith. The rationale is that a growing number of countries all over the world had or attempted to institutionalise the *free market* or *capitalism* as the preferred system of organising and sustaining their respective economic households. This system is also entrenched in the South African society. However, the system of organising their respective economic households are essentially founded upon the tenets of Neo-Liberalism that evolved during the period of Enlightenment, influenced by the Doctrine of Positivism and entrenched by the principles of Consumer Sovereignty, or Consumerism. During the long protracted period, as already stated, the ethics underlying the classical model or theory of capitalism as conceptualised by Adam Smith, have been expunged from the economic discourse in favour of what has become known among modern economists as the *utility maximisation behaviour* driven by self-interest (Cannan 1976:xi). Therefore, once the economy is re-embedded in its rightful

ethical and moral context and informed by the ethics framework as conceptualised by Adam Smith, individual economic behaviour and preferences will become most discerning in character, scope and influence and lead to discernible growth that would be more earth friendly, peace fostering and socially just. As Küng (1998:51) articulates it: 'Human power can [then] be used well, in a truly humane way, for the wellbeing of those concerned, those around them and their environment'. A humane economic order is at least possible.

How should we go about formulating this new 'framework of flourishing' or shared values for economic prosperity that is most discerning in its theology and eschatology? This is essentially the focal point of the research study. The epistemological and ontological structure of the research project in examining the ethics of Adam Smith and the formulation of a new framework of flourishing will now be expounded.

## First principles

The hypothesis that informed the study is founded on the rationale that the postmodern economic discourse ought to be re-embedded in the correct socio-ethical context, by re-affirming the classical ethics and values underlying the conceptual universe of *capitalism*. In order to access the validity of these *first principles* in the postmodern or postsecular age characterised by its globalness and a-dogmatism, the study followed the following epistemological system of analysis (see Walters 2018:11–31):

- Firstly, the conditions that form a prelude to a paradigm shift or the advancement of a new model have been established.
- Secondly, the events leading up to the conceptualisation of the *capitalistic universe* by Adam Smith were outlined.
- Thirdly, the ethics of Adam Smith were examined by means of extensive referencing of those salient aspects that fall within his ethics.
- Fourthly, the ethical and moral deficiencies in the current economic discourse were examined, with special reference to the influences of the Scottish Enlightenment; Positivism and Value-Free economics and consumer sovereignty or Consumerism. Upon concluding the examination, the ethical and moral deficiencies were listed and outlined.
- Fifthly, Adam Smith's ethics were assessed in terms of eight posteriori criteria as deduced from the new conditions and narratives of the postsecular paradigm and the need for a global ethic as humanities shared commitment and universal approach to the challenges facing our modern civilisation.
- Upon concluding the above assessment, the outline of a new paradigm or 'framework of flourishing' has been proposed.
- Finally, the implications of and the way in which a new ethics paradigm would manifest in the economic household have been briefly summarised in terms of the transformation at a macro or societal level and the transformation at a micro or individual level.

Let us now reflect briefly upon the ontological aspects that constituted the epistemological structure of the research study. This would contextualise the results and conclusions of the study, which will be dealt with under the following two headings respectively: '*Theoconomy* as a new *ethics* paradigm', and secondly, 'Discernible growth' as the proposed economic model for a postsecular age.

## Conditions that form a prelude to a paradigm shift

Why is this specific element so relevant? The most simplistic way to answer this question is the following: Societies over the ages change with time, *provided the time for change is right*. To establish the need and conditions for change, Thomas S. Kuhn devised in the 1960s a structure of scientific revolutions that suggests that scientific revolutions or paradigm shifts follow patterns that can be described to be as follows: 'normal science with a paradigm and a dedication to solving puzzles; followed by serious anomalies, which lead to a crisis and finally, resolution of the crises by a new paradigm' (Kuhn 2012:xi). In terms of the previously mentioned structure, certain conditions arise as a prelude to a scientific revolution or a paradigm shift. The most fundamental conditions are change in worldview, anomalies that arise, incompatible modes of community life, and incompatibility of fundamentals.

The same epistemology in examining the paradigm shift in the economic discourse and the shift to what is now known as the postsecular age has been followed in the research project. Based on *The structure of scientific revolution*, the study concludes that the Neo-Liberalist model that gave rise to the secular or modern age is now confronted with anomalies that are very much the cause of the critical issues of our time (Walters 2018:264). Critical issues are the unrelenting pressure on the earth's resources due to unfettered consumerism; disintegration of communities due to poverty; and a lack of spirit of self-reliance and general hopelessness. The study also found that the master narratives of Neo-Liberalism and secular Consumerism are dwindling. Research suggests (Brown 2004:3) that, instead, a greater vitality and interest in religion and metaphysical aspects are indicative of a shift in the prevailing paradigm. Secularism as a master narrative as it evolved from the enlightenment period is now being replaced by a new master narrative where religion, ethical and moral considerations are now once more being considered as a viable narrative. As such, the master narrative of secularism is now being deconstructed and dismantled in favour of a paradigm that offers a greater scope for ethical and moral considerations. However, this is primarily and fundamentally a metaphysical consideration that falls outside the prevailing economic discourse.

In the examination of the conditions that form a prelude to a paradigm shift, the following have been concluded:

- Firstly, the doctrine of positivism is losing ground and provides the scope to embed economics once again in an overall social and ethical context.

- Secondly, as the new paradigm advances pluralism in ideas and worldviews, the economy needs a global ethic that is responsive to globalisation, characterised by polycentricity and heterogeneity.
- Thirdly, this global ethics, in view of the overall tenets of the postsecular paradigm, ought to be rooted in shared universal ethics and common principles.
- Finally, as the secular-materialistic orientation of consumerism is subsiding, new conditions are being established by the postsecular paradigm that reaffirm the classical principles of virtue and the ethical and moral sentiments of the sensible and reasonable person.

In order to capitalise on the prevailing conditions and the paradigm shift as it is unfolding, the challenge is to find a new economic and ethic thesis that could serve as a viable narrative to consumerism as the secular doctrine and foundation of sustainable growth. This new thesis ought therefore to be judged by the following criteria:

- the global ethical content to support the global economy and heterogenic economic households;
- the reaffirmation of classical moral and ethical principles and virtues that are deeply rooted in the Golden Rule and shared values of a plural-heterogenic civilisation;
- the fostering of a new economic order that promotes social justice, peace and earth-friendly solutions.

We posit that this new order could be attained through discernible growth founded on a solid *framework of flourishing* or, differently labelled, a comprehensive set of '*exchange ethics*'.

Taking the above into consideration, the research study then advanced to examine the ethics of Adam Smith as the conceptual ethical universe of *Capitalism*, which as previously eluded to, has been expunged from the Neo-Liberal economic discourse of the secular-modern civilisation.

## Events leading up to the conceptualisation of capitalism

The next ontological aspect that has been examined in the analysis, is a historical examination of the unfolding events leading up to the conceptualisation of the concept of *capitalism*. This examination is important for mainly (and there are indeed many others) two reasons. Firstly, Adam Smith followed a typical rational reflection epistemology by analysing unfolding events that he perceived as natural law or, if you wish, the conceptual framework of the *creation narrative* (our interpretation). This historical analysis indicated the evolution of the *market mechanism* and the associated *exchange ethics* over the various ages of humankind. From the Hunters and Shepherd Age, characterised by its ethics of kinship and reciprocity, to the Agricultural and Commercial Society as it is known today that is deeply rooted in individual rationality, or at least this is how it is perceived today. Secondly, in Adam Smith's conception of *capitalism* or the *market mechanism* as the way civilisation, especially in the western societies, organises and sustains their respective

economic households, he clearly observed and articulated what one may call the *creation narrative* – that God the Author of nature brought life in a totally inhospitable universe. This life-giving virtue of God, the Author of nature, is mirrored in the process of change and transformation of nature (incorporating all of creation including humans and non-human creations). Through multiple gradual steps, the transition has been made from the first simple efforts of uncultivated nature, to a state of things so wonderfully and complicated. Likewise, the moral judgement and ethical behaviour and rules by which we render them, developed without an overall antecedent plan (from a human rational perspective), creating a general consensus of the virtuous life, the basis of fair exchange and virtues of conduct that led to greater wealth and prosperity. Considering Adam Smith's rational reflection of Natural Law in its proper hermeneutical context, it is clear that God's life-giving virtue, as mirrored in the *imago Dei*, is central to his ethics and economic thinking. A more detailed exposé of the entire historical context falls outside the limited scope of this article. Suffice to quote Adam Smith's (1759) own words from the last edition of his seminal work, *The theory of moral sentiments*:

The universal benevolence [*here Adam Smith refers to virtues of good-will, sympathy and happiness founded in the universe*], how noble and generous so ever, can be the source of no solid happiness to any man who is not thoroughly convinced that all the inhabitants of the universe, the meanest as well as the greatest are under the immediate care and protection of that great, benevolent all-wise Being [*Adam Smith used many terms, including Deity and God*], who directs all the movements of nature and who is determined, by his own unalterable perfections, to maintain in it, at all times, the greatest possible quantity of happiness. To this universal benevolence, on the contrary, the very suspicion of a fatherless world, must be the most melancholy of all reflections. (p. 235)

The above narrative, and many more, formed part of major changes Adam Smith made in the sixth edition of '*The Theory*' in 1790, literally weeks before he passed on. The research study therefore followed the notion that Adam Smith clearly articulated and considered the sovereignty of God, the Author of nature, as the point of orientation. This aspect of Adam Smith's conceptual universe of *capitalism* or the *market mechanism* have been expunged in modern economic discourse. Positivists and scepticists simply elect to ignore this creation narrative in favour of their own discourse. So far, they have succeeded, but the tide, as already eluded to, is changing. The conclusion in the study, however, is that Adam Smith's universe is strongly informed by a form of creational theology. As such, it can be deduced that his conception of *capitalism*, though secular in nature, is deeply rooted in the existence of the Divinity. Therefore, in the light thereof, Adam Smith articulated the existence of divinely created societal spheres of which economy is but one, each with its own immanent principles, norms and rules that need to be positivised by human beings. The study moved from this premises in analysing Adam Smith's ethics and conceptual world. From this basis, the study then examined Adam Smith's ethics. The study, in order to avoid falling prey

to the fallacy of analysis due to an *a priori* or preconceived judgement, elected to examine the ethical and moral sentiments of Adam Smith's by means of extensive referencing of those salient aspects that fall within the scope and aim of the study. The soundness of this approach is founded upon the following:

- The need for a broad, yet detailed account of Adam Smith's moral and ethical sentiments in order to fully and comprehensively contextualise the moral and ethical sentiments that constitute the teleological foundation.
- The principle of inclusiveness that recognises the diversity and complexity of the moral and ethical sentiments underlying *capitalism* and the *market mechanism*.
- Finally, contextualising and demonstrating the teleological strength of the underlying moral and ethical principles.

For the aforesaid reasons, the study set out a detailed account of Adam Smith's ethics in the following three themes. Firstly, the ethical rules that Adam Smith considered as rather growth inducing than otherwise. These rules serve as guidelines for human conduct in the economic sphere of being. These rules are guidelines created by the application of what may be considered in ethical theory as revealed principles. Secondly, the virtues of human conduct that are required for prosperity and wealth were examined. According to Smith, these virtues ought to be followed as revealed principles for its own sake and not because of its utility or consequences. Smith's ethics therefore encourage virtue and the formation of character. Adam Smith's epistemological theory therefore reflect the importance of the virtue of prudence; beneficence; justice and self-command. These virtues are central to the formation of the character and conduct of the reasonable and sensible person, without which the rationality of humans is questionable. As the efficacy of the *market mechanism* and then *capitalism*, as its conceptual universe, is reliant upon the rationality of humans, the virtues as articulated by Adam Smith are indeed prerequisites or inalienable from human rationality. At least, a rationality that gives birth to social justice, hope, love and fairness, rather than selfishness, greed and hatred. Thirdly, the study gave a thorough account of what Greek Moralists referred to as the psychological aspect of moral character, namely having the right motives, aims, concerns and perspectives, or differently defined as having a proper and sound ethical and moral judgement. In Adam Smith's ethics, the basis upon which a person formulates a proper and sound ethical and moral judgement, is *habitual sympathy* or his conceptual construct of *the impartial spectator*. Finally, the study analysed what Adam Smith refers to as *final causes* or the recompense of being virtuous and being a person of reason and of great sensibility.

This culminated into an analysis and examination of the ethical views and moral sentiments of Adam Smith in terms of eight principles or standards by which ethical and moral views may be judged or decided upon. These principles or standards are:

- Natural law and the power of sympathy (conscience) are antecedent to the formation of human morality.
- Habitual sympathy is a categorical imperative.
- The reasonable person is individualistic but not solipsistic.
- There exists in the mind of every person an idea of the exact rules of perfect propriety.
- In executing humans' moral and ethical duty, humans subordinate their private interest to the public good.
- Intrinsic good actions are always good in and of themselves.
- Trust in the providence of God.
- Universal good is founded in the unalterable perfections of God.

Due to the limited scope of the analysis, the study did not make a final pronouncement on whether Adam Smith's ethics could be considered either deontological or teleological in terms of the principles of ethical theory. However, it is asserted that the contextualisation of the ethical views and moral sentiments in terms of the aforesaid criteria, are indicative that the underlying nature of Adam Smith's ethics are rather deontological than teleological. This as such is reliant on ethical principles and rules of conduct that are absolute in some instances and relative in other instances. This distinction is fundamental in evaluating the current ethical and moral deficiencies in the economic discourse and to contextualise the epistemology of *Theoconomy* as a new paradigm. The study also found that Adam Smith's ethics, in terms of the Doctrine of Teleology, are essentially teleological, and his sentiments about God – the Author of nature – are essentially theological. Furthermore, his views on final causes, divine design and the ends of nature are most evident and his theological interpretation of God as the Author of nature, the all-wise and benevolent Being, clearly articulate his own understanding of the Providence of God. A deontological, theological and teleological view therefore exist in Adam Smith's ethics that underpin or form the foundational essence of *Capitalism*. This view is also shared by Jacob Viner (1972:206), who writes that in *The Theory of Moral Sentiments* there is an unqualified doctrine of a harmonious order of nature, under divine guidance which promotes the welfare of man [*sic*] through the operation of his [*sic*] individual propensities'. Furthermore, Viner (1972:206) argues that the doctrine may have been the secret basis of Smith's conclusions in *The wealth of nations*.

The study then concluded that Adam Smith's ethics, when examined in terms of the eight standards by which ethic theories could be evaluated, meet the underlying principles of deontological ethic theory and could therefore form the foundation from which one can move in formulating a global ethic – based on shared ethical values and that are founded in the Golden Rule of Humanity, which is the minimum ethical standard on which all ethical theories or views ought to be examined.

With this conclusion, the study set out to investigate what caused, as Viner (1972:206) referred to, the 'secret basis'

of Adam Smith's ethics, being expunged from the economic discourse in favour of a more narrow interpretation of his seminal work, *'The wealth of nations'*, which proponents of *positivism* and *scepticism* argued, advanced the notion of self-interest as the only motive of action. In the examination that followed, the study offered an account of three epoch-making events that have influenced the contemporary thinking of the time, which ultimately led to the present-day ethical and moral deficiencies in the economic discourse. Let's briefly list these epoch-changing events that caused major paradigm shifts and reflect on the consequential ethical and moral deficiencies as prevalent today. This would indicate the need for a new paradigm.

## Ethical and moral deficiencies

The study examined three paradigm shifts that occurred from the time Adam Smith pronounced his ethics and economic thoughts. The three paradigm shifts that have been examined are:

- The Scottish Enlightenment,
- Doctrine of Positivism, and
- Consumerism.

These three epoch-making events, jointly and separately, caused the present-day ethical and moral deficiencies in the economic discourse. These may also be singled out as the events that lead to the complete expungement of the ethical and moral dimensions from Adam Smith's universe and conception of *capitalism* and the *market mechanism*. This in turn led to major ethical and moral deficiencies as listed hereafter:

- The demise of the teleological and ethical foundation of economics.
- Unconstrained self-interest behaviour.
- Existential understanding of wellbeing and happiness.
- Lack of social cooperation.
- Institutionalisation of wellbeing and happiness.

The aforesaid deficiencies of the present-day economic household have been extensively examined and contextualised in the study. Based on the concise analysis, the study then moved to examine the ethics of Adam Smith in terms of eight posterior criteria as deduced from the new narrative of the postsecular age. From a different perspective, this analysis examines the validity of Adam Smith's ethics in the postsecular society that is unfolding, and established whether Adam Smith's ethics can indeed respond effectively, firstly to the new current deficiencies in the economic household, and secondly to the narratives and conditions of the postsecular paradigm and, in particular, the emergence of the polycentric and heterogenous global society.

## Reaffirmation of classical values

From the examination of the emergence of the postsecular paradigm, it is evident that new narratives and conditions are evolving, providing the opportunity to re-embed the

economy in its correct ethical and moral context. The collapse of the doctrine of positivism and humanism and the growing trend away from the secular-materialistic nature of the present-day consumerism, are indicative, as Ziebert and Riegel (2009:300) assert, of the trend to reaffirm an ethical and moral-based value system. This view is supported by Kúng (1998:20) that the paradigm shift provides an impetus and greater scope for ethical and moral principles founded upon the metaphysical essence of human existence. The examination also confirmed that the ethical and moral deficiencies in the economic household necessitate a different approach and that the economy should be re-embedded in its correct ethical and social context.

In order to establish the viability and validity to re-embed the economy in its correct ethical context as constructed by Adam Smith when formulating *capitalism*, the study then proceeded to evaluate Adam Smith's ethics in terms of the following posteriori criteria:

- The Golden Rule of Humanity as the moral minimum.
- Pluralism in ideas and world views.
- Metaphysical essence of life, free from religious doctrine.
- A personal and unique contemporary experience of life.
- A sense of duty and human cooperativeness.
- A value of virtue.
- Reason and human conscience as the basis of judgement.
- The universal benevolence of God – the Author of nature.

The study concluded that Adam Smith's ethics, in terms of the new conditions and narratives of the postsecular paradigm and considering the present-day ethical and moral deficiencies, are most suitable and responsive to the new conditions of the reality that is unfolding. Secondly, in terms of the criteria for a global ethic, Adam Smith's classical ethical values and precepts are found to be suitable to constitute the foundation for a global ethic for a global economy.

## Theoconomy: A new ethic paradigm

The study then proceeded to set out the reason for and the outline of a new ethic paradigm.

Firstly, the reasons for a new paradigm are important. From the study, as briefly outlined in this article, it is evident that the anomalies or deficiencies in the current economic discourse can no longer be effectively dealt with by the modern secular Neo-Liberalist paradigm. As explained, the Neo Liberalist paradigm has been founded on a different premise, or at best a very limited premise of the original classical conception of *capitalism* as construed by Adam Smith. The way that the ethics of Adam Smith have been painstakingly expunged from the economic discourse has caused ethical and moral deficiencies that require a fundamentally different approach, hence the need for a new paradigm. This new ethics paradigm is labelled in the study as *Theoconomy*. This is not a word you would find in



the dictionary. It is a new creation. It is a creation that contextualise the principle that *theocratic* principles ought to shape and direct individual *economic* behaviour and preferences in order to be most discerning in value, scope and influence. Based on the examination of Adam Smith's ethical precepts, values and criteria in terms of the changing conditions and narratives of a postsecular paradigm and criteria for making a global ethic specific, the study concluded that the essential foundation of such a new ethic paradigm should be the classical values, precepts and principles that are incorporated in Adam Smith's ethic. *Theoconomy* as a new paradigm is therefore founded on the ethics of Adam Smith and it will be the task of *Theoconomists* to re-embed economics once more in its proper ethical and moral context. *Theoconomists* should also positivise and expound on the proper *exchange ethics* for a global economic household characterised by its heterogenous and adogmatic and individual authenticity.

The broad outline of the new ethics paradigm articulated in the study more comprehensively and succinctly, incorporate the following tenets:

- The seven core principles of:
  - self-betterment
  - ingenuity, curiosity and creativity
  - dignity of others
  - stability and confidence
  - cooperativeness
  - culture and values
  - temptation of prodigality
- The cardinal virtues of:
  - prudence
  - beneficence
  - justice, and
  - self-command
- Sympathy as a categorical imperative and the basis of moral judgement.
- Universal benevolence as the source of human conscience.
- Affectual consolation of a higher tribunal.

It is upon this foundation that all people in the postsecular society and within the *global village* can construct a mutually accepted ethic for the economic household that are less secular and materialistic, and that can enjoy the true meaning and fulfilment of their economic endeavours. The study then concluded by giving a broad illustration as to how *Theoconomy* could transform economic behaviour and preferences of individual persons and ultimately society at large. Essentially giving rise to *discernible growth*.

## Conclusion: Discernible growth

Following the epistemology and ontological structure of the research study as summarised above, the a priori expectation is that the shared theocratic ethical principles and virtues advanced by *Theoconomy* as a theoretical conception can transform economic behaviour and preferences in a manner that makes individual persons more productive, thrifty and industrious; most discerning in spending and

moderate in their consumer spending; increase their propensity of being prudent with a higher propensity to save and preserve; having better physical and mental vitality; and develop greater openness to the diversity of people, circumstance, religion and culture – all in all, a moral and productive agent that is discerning in behaviour and preferences. Indeed, the character traits required for reasonable and sensible persons that act with the greatest rationality in pursuing their desires, passions and aversion.

Eventually once *Theoconomy* as a new ethics paradigm is entrenched in the moral fibre of society, the morality of society, regarding at least the economic sphere of being, would be *deepened*. Consequently, society will become more discerning and mindful of the need to pursue their economic ambitions in a manner that is more earth-friendly, peace fostering and socially just. In so doing, the economy could be *enlarged* by focusing on policies, programmes, plans and projects that are most discerning in nature, scope and influence – almost similarly to a marshall plan with a deep-rooted ethical conviction and a creation narrative. A narrative that resonates that God, the Author of nature, creates and nurtures life and that humanity as God's vicegerents (a term Adam Smith extensively articulates) ought to mirror this life-giving virtue of God by nurturing and conserving the life that God is creating and determined to fulfil, by God's own 'unalterable perfections' (Smith 1759:235). This is then the purpose of *Theoconomy* as a theoretical concept founded upon solid *exchange ethics*, that if pursued, would result in *discernible growth*.

## Acknowledgements

### Competing interests

We declare that we have no financial or personal relationship(s) which may have inappropriately influenced us in writing this article.

### Authors' contributions

J.M.V., A.L.R. and J.V. contributed to this article by giving experimental inputs, revising the final product as well as contributing to the writing and final editing of the article.

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