

Humanomics, Governance, and Religion: Exploring an Institutional Basis for the Moral Sentiments

ANTHONY GILL

University of Washington

Political economy concerns itself with how individuals coordinate actions to facilitate peaceful and productive relationships that support social flourishing. In other words, governance. Although Adam Smith's *Wealth of Nations* (WN) is known popularly for championing free markets and demonstrating how self-interest can lead to public good, much of his magnum opus is devoted to the proper role of government in supporting (or undermining) the invisible hand via public goods provision, taxation, and other public policies (1776/1776, pp. 689-947 and passim). But Smith, in *The Theory of Moral Sentiments* (TMS), also understood that human coordination (governance) is not merely a function of self-interest constrained by formal government. Our choices to engage in pro-social behavior (or not) are guided by moral sentiments and a desire to receive the esteem of those around us. These moral sentiments are as much a source of social and self-governance as are royal courts and national parliaments. Indeed, our moral sentiments may be *more important* than formal government regulations; political leaders cannot craft legislation for all possible choices we encounter, nor can government agents police obedience to the law everywhere and at all times. If society is to flourish, it is incumbent upon individuals to act wisely and prudently in the absence of government. Fortunately, our species has developed non-governmental institutions to harness the governance powers of our moral sentiments.

Alas, mainstream political economy largely neglects Smith's thoughts on the moral sentiments, favoring narrow utilitarian models of human behavior rooted in (mostly material) self-interest. Rational choice theory, the theoretical foundation for contemporary economics, focuses on simple cost-benefit incentives that are easily modeled, measured, and manipulated. Clarity and parsimony reign supreme. Not surprisingly, the desire to maximize individual and social utility leads scholars of this ilk to favor formal government policies, with clearly delineated incentives (rewards) and disincentives (punishments), as the preferred mode of governance. And it is not just mainstream economists who favor government action over self-governance based upon our moral sentiments. Behavioral economists note our cognitive biases and calculative fallibility, sometimes referencing emotional factors, and jump aboard the government policy bandwagon to "nudge" humans toward more socially-acceptable decisions (Thaler and Sunstein 2008). Government for both rationalist and behavioral political economists is the primary form of governance. But are non-governmental forms of governance more prevalent and fruitful for comprehending how humans have evolved into what Bowles and Gintis (2011) call a "cooperative species"?

The humanomics paradigm offers a more holistic understanding of human behavior with significant implications for social governance. Integrating Smith's TMS with modern economic methodology, Vernon Smith and Bart Wilson (2019) theoretically explain and empirically demonstrate how humans make pro-social decisions more frequently than narrow, rational utilitarian *and* behavioral economic models predict. Our desire "not only to be loved, but to be lovely" (Smith 1790/1790, p. 113) promotes pro-social moral sentiments that tame our most base instincts and anti-social sentiments such as avarice and envy (Smith

and Wilson 2019, pp. 4-9 and *passim*). Those more basic instincts pave a path to wealth-destroying actions such as free-riding, fraud, theft, and violence toward others (Wilson 2024, pp. 54-56; Schoeck 1987/1966, pp. 129-140). If developed and fostered extensively, pro-social moral sentiments act as a source of self-governance at the individual level of society and mitigate the need for a more macro-centered coercive government.

By incorporating Adam Smith's theory of sentiments into contemporary political economy, Smith and Wilson (2019) and Wilson (2024), present us with a broad framework for understanding the need for human *governance*, not merely *government*. Nonetheless, they overlook another common blind spot of mainstream political economy—the role of religion in social governance (Gill 2021). Surprisingly, there is little mention of religion in either of the aforementioned books, possibly reflecting the relatively minor role that religion plays in Adam Smith's WN and TMS.¹ This is not to fault Smith and Wilson's humanomics approach; they significantly advance the discussion of human pro-sociality in ways that other political and behavioral economists ignore. Nonetheless, the humanomics framework can be complemented by attention to one of the most historically-enduring forms of human governance—communal religion. This is particularly true given that religion is a fundamental source for fostering our moral sentiments. In this essay, I argue that religion, broadly speaking, has historically developed, communicated, and cultivated pro-social moral sentiments via narrative and ritual, and continues to do so. As such, understanding religion as a method of human governance augments the framework Smith and Wilson have championed. The humanomics paradigm gives us a theoretical lodestar that directs us towards a more comprehensive understanding of human governance, and religion is a significant part of that story.

THE BASIC PROBLEM: GOVERNMENT, GOVERNANCE, AND OBEDIENCE TO THE UNENFORCEABLE

To understand why humanomics is essentially a theory of governance and how religion factors in, it is first necessary to understand the difference between governance and government. Achieving any modicum of peace and prosperity requires individuals within a society to agree upon a fundamental set of rules (or property rights) regarding the allocation of resources (Barzel and Allen 2023). Such rules, when commonly known and enforced, reduce uncertainty by coordinating shared expectations about social behavior. This is the fundamental purpose of social governance. If individuals trust in the pro-social motivations of others, they are more likely to engage in cooperative and productive relationships, including both commercial transactions and personal relationships. Social rules are not cost-free, though; they are subject to transaction costs. Transaction costs are the resources expended in defining, monitoring, and enforcing property rights, including those related to an individual's personal sovereignty (Allen 1991).² An effective governance system will minimize transaction costs. Of course, governance systems also may provide other quasi-public goods beyond basic social order such as financial assistance to the poor, education, and technological infrastructure. The key, though, is reducing uncertainty between individuals regarding proper behavioral expectations.

While governance can take many forms, government (or a “state”)³ is often considered the primary form of governance in large societies. Government can be defined as an organizational entity containing individuals who specialize exclusively in the creation, monitoring, and enforcement of social rules (laws) and possess centralized authority over the “legitimate” use of force within some specified geographic territory (Fukuyama 2011, pp. 80-81). As Leeson succinctly puts it, the “fundamental distinction between government and governance ... is that the former is always based on force, but the latter needn't be” (2009, p. 51). Governments vary in form—from hereditary monarchy to single-party autocracy to elected democracy—but all contain specialized individuals who possess “final” authority in creating, monitoring, and enforcing rules based upon their “legitimate” and purported monopoly over coercion. In reality, no government maintains a full or exclusive coercive monopoly over their citizens; the marginal costs of comprehensive monitoring and enforcement increase rapidly as population grows, yielding *de facto* space for

individuals within civil society to govern their own relationships. Non-state governance will always exist alongside government to varying degrees (Gill 2024). Government policy nonetheless captures the analytical attention of most political economists as regulations are easy to model, measure, and manipulate.

But centralized coercive institutions aren't the only way to govern. The importance of non-governmental governance has captured the attention of an increasing number of political economists in recent decades. A growing literature on anarchic governance addresses ways in which cooperation emerges and is maintained in lieu of states (Taylor 1982; Scott 2009; Leeson 2014; Stringham 2015). More mainstream, non-anarchist scholars also argue that cultural norms and civil society play a vital role in solving problems usually viewed as the domain of the state (Ostrom 1990; Ellickson 1991; Anderson and Hill 2004; Bicchieri 2005). However, almost all of these analyses present instances of non-state governance that occur either amongst small geographically-bounded populations or within unique environments having limited lifespans.

The humanomics framework, though, offers insight into how norm-based forms of governance can scale up to larger societies and provide more enduring forms of social order. The template for this comes straight from TMS. Adam Smith argued that the development of our moral sentiments is a universal human process of reasoning that guides our actions in a variety of situations. Humans, except perhaps sociopaths, desire to be loved and to be lovely, a crucial assumption within the humanomics framework that is oft overlooked in mainstream political economy. We seek the approval and esteem of those around us, first from our closest relations (family), then from our neighbors, and eventually our nation (Smith 1982/1790, pp. 218-237). This desire for esteem launches a reasoning process that incorporates sympathy (or "fellow-feeling") in guiding our understanding of what is proper and improper to do. For Smith, propriety is key to our moral sentiments, so much so that it leads off TMS (Smith 1982/1790, pp. 9-66). Summarizing TMS, Smith and Wilson define propriety as "*the knowledge of what is the morally fit thing to do at this time and place and to know it not through mindful thinking but through bodily feeling*" (2019, p. 31; emphasis in original). Note that our choices are both contextual and intersubjective; propriety demands that our decisions take into account the sentiments—good and bad—of those around us. We reason, choose, and act within a broad social milieu of normative social behavior.

Smith's "impartial spectator" serves as a metaphor for how this reasoning occurs; an individual thinks of his own choices not merely from his own narrow self-interest, but "he views himself in the light in which he is conscious that others will view him" (Smith 1982/1790, p. 83).⁴ We take into account social norms and the reactions of others when acting. But this reasoning process is analytically distinct from more rationalist accounts of social norms that see them merely as constraints on self-interested behavior or post hoc explanations that simply insert the "utility of others" (or "altruism") into an individual's utility function; the individual thinks with society not just in mind, but *in his mind*—the oomph of intersubjectivity. Crucial questions naturally arise for the scholar seeking to understand this process. How does one's impartial spectator grasp what "society" will think of one's actions? How do we know what makes us lovely in the eyes of others? Are there institutional methods of formulating and communicating propriety? Religion, as I argue below, plays a crucial role here.

Before answering those questions, let us elaborate with how Smith's TMS and Smith and Wilson's humanomics provide a theory of governance. Consider how essential propriety is to social coordination and harmony, particularly in the absence of government. If humans are simply Cartesian rationalist calculators hellbent on maximizing self-interest as much of contemporary economic modeling assumes (ye olde MaxU perspective), it is easy to accept Thomas Hobbes' notion that the state of nature is an existential struggle of all against all to obtain resources. Hobbes famously declared that world to be "solitary, poore, nasty, brutish, and short" (1968/1651, p. 186). From the Hobbesian vantage point, the most reasonable way to break from such a destitute wilderness is to call upon a third-party—Leviathan or government—to create, monitor, and enforce a set of rules directing self-interested behavior in more cooperative directions. State-centric models of political economy have embraced this notion (e.g., Acemoglu and Robinson 2012). Unfortunately, Leviathan is not all-knowing or all-seeing.⁵ As Lord Moulton observed a century ago, "[t]

he infinite variety of circumstances surrounding the individual and rightly influencing his action make it impossible to subject him in all things to rules rigidly prescribed and duly enforced” by government (1942, p. 2). With the state unable to monitor all behavior, Moulton argued that social order depended upon individuals acting in the best spirit of public law, or what he called exercising “obedience to the unenforceable.” The individual must be “the enforcer of the law upon himself” (Moulton 1942, p. 1) when the state, or no one else, is looking.

Humanomics answers Lord Moulton’s call and demonstrates the possibility of “obedience to the unenforceable” through methods that Adam Smith revealed centuries ago. The reasoning process encapsulated in our moral sentiments allows humans to generate and obey rules of pro-social behavior organically thereby achieving cooperation when Leviathan’s enforcers are absent. Our desire to be lovely in the minds of others, which in turn activates propriety, goes a long way towards prompting socially productive actions. We avoid killing and thieving *not simply* because we engage in a probabilistic cost-benefit calculation of government detection and penalties (cf. Becker 1968). If this were the only basis of our choice, and recognizing the limited nature of government policing, anti-social behavior would be more rampant than it is (cf. Collins 2008).⁶ Rather, we frequently choose to “do the right thing” out of propriety. We know that others disapprove of murder and theft, and we do not want others (or ourselves) to consider us ne’er-do-well. Even in anonymous situations, we choose generosity and cooperation more than Cartesian rational models predict (Smith and Wilson 2019, pp. 109-171; Henrich, et al., 2004). In other words, human beings are quite capable of *governance* when *government* is not present. Indeed, it could be argued that many government regulations are superfluous given that most people don’t even know what those laws are, yet they still make pro-social choices (Ellickson 1991, pp. 48-51).

None of this is to deny the importance of cost-benefit incentives or self-interest. D’Amico (2026) in this volume makes a strong case that rational, self-interest remains a core basis of human behavior. Levels of policing and penalty do affect behavior (Ehrlich 1972). However, the humanomics approach demonstrates there is more to our choice process than what self-interested utilitarianism posits. Lab and field experiments show greater levels of altruism and cooperation than rationalist models suggest (Henrich, et al. 2004; Smith and Wilson 2019, pp. 172-196). Our better moral sentiments—conditioned through sympathy and propriety—allow for governance when government cannot (and perhaps should not) be ever-present.

LEARNING PROPRIETY AND DEVELOPING GOVERNANCE

Our moral sentiments develop with the expectations of other individuals in our mind. But how do we know what others expect of us? The impartial spectator, in guiding a person’s choices to be lovely, must somehow understand what those around us consider to be appropriate (Smith 1982/1759, p. 110). Understanding what others consider proper is a phenomenon of social communication. We must experience and learn what others in society deem appropriate if our impartial spectator is to have any effect on choice. Much of this experience and learning comes early in a person’s intellectual and “sentimental” development. Children are not born knowing what is proper; they must be taught (Wilson 2024, p. 118). Herein arises a central question for the humanomics perspective: If human action is conditioned by the process of reasoning through our moral sentiments, which in turn are contextual and intersubjective, how do we learn, and teach to others, what is appropriate in various situations and in the eyes of others? Are there social institutional mechanisms that facilitate our sense of propriety?

One way to understand what is considered proper in society is to consult the state’s legal code books. The ostensible goal of government-made law, after all, is to present known guidelines of social behavior. But as noted above, the state cannot devise rules for all possible circumstances, let alone police them. Moreover, it should be recognized that centralized government is a relatively new phenomenon in human history, originating during the Neolithic era some 5,000 years ago (Scott 2018). Nonetheless, our species somehow survived the Hobbesian state of nature sans government. Life before Leviathan was certainly not

solitary; archaeological evidence overwhelmingly indicates pre-Neolithic humans lived in bands of a few hundred individuals. And there is every reason to suspect that hunter-gatherer societies were not innately brutish as they required substantial cooperation for survival (Insoll 2011). Organizing hunts, pooling and allocating communal resources, and caring for infants and the infirm required coordinated action (Sahlins 2017/1974). In other words, humans possessed a sense of pro-social propriety long before Leviathan.

Another explanation for where we learn our pro-social behavior comes simply from continual interactions with the same individuals. Consider this in the pre-government world of Paleolithic and early Neolithic humans. In explaining how early homo sapiens survived without being brutish, the anarchist Michael Taylor noted that small, acephalous bands were essentially forced to engage in repeated and multi-faceted interactions, which built norms of reciprocity, cooperation, and sacrifice (1982, pp. 26-30). Consistent with Taylor and leveraging the work of pre-historic anthropology, Wilson argues that hunter-gatherer societies would shun any individual who was caught hoarding resources from a hunt and attached moral judgement to dissuade “upstart dominants, incorrigible deviants, and sneaky free-riders” (2024, p. 51; see also Boehm 2012). Any individual who understood that his or her survival was contingent upon the cooperation of others in the future would limit bad behavior as defined by community norms. Empirical studies show not much has changed. Contemporary experimental research confirms that iterated and face-to-face interactions promote cooperation and other pro-social behaviors (Ostrom et al. 1992; Henrich et al. 2004; Kurzban et al. 2001; Smith and Wilson 2019).

But while daily face-to-face interactions provide opportunities for learning about the expectations of others and ensuring cooperation, it is not an ironclad method of ensuring propriety. Such interactive learning provides feedback on what happens in daily tit-for-tat exchanges but does not necessarily inform individuals (and their impartial spectators) of what *should* happen. Propriety to function well requires a *coordinated* moral education on a more communal level. As Wilson notes,

[h]uman beings learn from each other the general rules of seemly, suitable, fitting, or appropriate conduct. Moreover, we are beings who learn to *become* persons who listen politely [and follow other pro-social practices]. ... That doesn't mean that we always politely listen It means that other people have *handed down to us*, as a part of our personal history, any number of rules of conduct to guide us in choosing what to do here and how. Such rules of conduct do not tell us, in Oakeshott's words, what “choice [we] shall make,” but “announce only the conditions to be subscribed to in making choices.” *The announcement isn't just to us, the doers, but to us and everyone in our orbit* (2024, p. 71).⁷

Two things stand out here. First, our knowledge about the right thing to do involves abstract reasoning. Because we cannot anticipate every situation and have a ready-made response, our moral education rests upon generalizations and a reasoning process akin to Adam Smith's impartial spectator. While this is possible for individuals to do inductively through daily interactions over a lifetime, it is a heavy cognitive lift to build such generalizations, especially if the feedback signals are not clear. We need, and need to be taught, heuristics (Simon 1955). Moreover, society would be better served if individuals understood the important general rules earlier in life rather than later. Our moral education needs to be “handed down to us” by others who have already honed their moral reasoning via general rules. Second, that education is not just to us, but “everyone in our orbit.” For the impartial spectator to activate propriety in choice, the “man within our breast” must know that others know what is socially propitious. And others must know that all others know for social norms to be effective. Coordinated knowledge of social expectations is key. Who does the coordinating and how?

While Wilson (2024)⁸ makes a strong case for the role of education (i.e., handing down rules of conduct) in cultivating the moral sentiments, there is not much discussion in his work (nor in Smith and Wilson 2019) about what such educational processes look like, and whether they are institutionalized. Again, this is not to fault the humanomics agenda, but rather to identify an opportunity for expand-

ing its analytical reach. It is here where an examination of the historical role of religion as an institution of governance complements the humanomics framework. Specifically, religion, when institutionalized into communal (congregational) practice, excels in cultivating our moral sentiments by providing the knowledge of what is proper and communicating it to “everyone in our orbit” (and beyond) via common narrative and ritual. And, if done communally, general rules can be inculcated in the young early in their moral maturation process. We now turn our attention to the complementary role that religion plays in the humanomics paradigm.

RELIGION AND HUMANOMICS: THE ROLE OF NARRATIVE, RITUAL, AND GOD

Our first step is to be clear about what religion is so to understand what it does. Following Rodney Stark’s conceptualization, religion “consists of explanations of existence (or *ultimate meaning*) based on *supernatural assumptions* and including statements about the *nature of the supernatural*, which may specify *methods* or *procedures* for exchanging with the supernatural” (2007, p. 46; emphasis in original). Through such relations with the supernatural, humans learn what is sacred—i.e., fundamental values and respect for what is good. Stark’s definition of religion differs from Emile Durkheim’s notion of religion as merely worship of something sacred; for Durkheim, religion may, but need not, include the presence of a transcendent “god” (1915, p. 56). Stark’s emphasis on the supernatural is important in that it provides a potential source of governing authority that is beyond the reach of humans, whereas Durkheim’s definition allows for secular ideologies (e.g., Maoism) in which the ultimate judge of adherence to behavioral expectations necessarily resides in human beings, typically government rulers. This distinction will become important below when discussing “obedience to the unenforceable.” As for the “procedures for exchanging with the supernatural,” Stark means the sacraments, rites, and rituals that remind humans of their sacred duties to the supernatural and what God provides humans in return (2007, pp. 46–47). Religion, for Stark, is not merely belief but critically involves praxis. Ritualistic acts create common knowledge about societal values and general rules, which in turn enhances behavioral expectations and coordination – i.e., social governance. At a very fundamental level, religion lays out the basic rights and responsibilities of individuals within society, which includes general rules about commercial and interpersonal relationships (e.g., thou shalt not covet, steal, or murder).

From a political economic perspective, it is interesting to note that religion predates the rise of the state by tens of thousands of years, potentially dating back to the late Paleolithic era some 60,000 years ago (Insoll 2011). Religion played an important role in governing resources and relationships and establishing basic property rights in things and people. Archaeological evidence appears to point out that basic property and human rights were connected to the sacred and supernatural. Burial sites, temples, and artwork indicate that human life, one’s ultimate property, was sacred to hominids by the mid-late Paleolithic era when the notion of an afterlife developed (Bahn 2012, pp. 344–347). The inclusion of various artifacts in graves reveals our ancient ancestors possessed notions of private property in objects as well. It is not a big step to assume that rules governing murder, assault, and theft were anchored to the supernatural via basic religious ideas or doctrine. If life and property were considered sacred taking these things prematurely would certainly be against community rules. Other obligations surrounding cooperative behavior (e.g., participation in communal hunting) also were justified religiously (Norenzayan 2013, pp. 62–66, 147–150). Via a definition of (and obligations toward) the sacred, religion provides a “source code” for evaluating what is proper choice and action. Religious doctrine, in essence, is a central source of propriety.

Having once established a set of general rules upon which to evaluate the actions of individuals in society, communication of such rules becomes important. It is not only important for reducing uncertainty, but such knowledge is important for our reasoning via moral sentiments. Uncertainty surrounding the intentions of others is one of the most fundamental sources of conflict; if one cannot trust another person to obey society’s rules, and if information-gathering costs are high, relationships and transactions are unlikely to occur. To that end, common knowledge—the knowledge that I know what others know and

others know what everyone else knows—is crucial (Chwe 2001). Again, religion is well-placed to manage this educational function via the use of myth, lore, and ritual. Gary Fine argues that lore builds community and fosters cooperation by creating a common identity with “shared pasts and prospective futures” allowing for the construction of “interaction orders” (or relational rules) that promote stability and trust (2018, p. 5). While shared pasts may involve actual historical events, they often include supernatural elements (Boyer 2001, pp. 255-262; Stark 2007, pp. 84-93). Norenzayan provides evidence from cognitive research that narratives containing supernatural elements that run counterintuitive to empirical reality enhance the ability of both children and adults to remember critical lessons from those tales (2013, pp. 106-111). Religious narratives thus provide individuals in the community with goal-oriented and relational values, along with moral standards that provide “a cultural grounding for trust, affiliation, and cohesion that generated collective identity” (Fine 2018, p. 9) and catalyze reputational concerns that also promote cooperative behavior (Norenzayan and Shariff 2008).

A good means of building compliance with a set of social rules is to teach them repeatedly to the young using memorable stories emphasizing critical social values and behavioral norms. Children are an ideal target audience for fostering this instrumental collective identity given they are relatively blank slates and can be taught to internalize social values (e.g., trustworthiness) and normative heuristics (e.g., forgiveness) (Zipes 2013). In his work on property, Wilson points out that all children need instruction in resisting the urge to resort constantly to “right of first possession” or “might makes right” rules (i.e., say “mine”). Consideration and respect for others, accepting losses, being grateful and forgiving are all important moral lessons that set the table for peaceful interaction and cooperation. Such are our better moral sentiments and the anchors of propitious choice. What better way to inculcate a set of social values and norms than embed them in vivid parables and heroic narratives that are told repeatedly to the young? Adults, too, need constant reminders of important norms and conventions. More importantly, for social expectations to take force, it is important that everybody knows that everybody else knows what the rules are, thereby reducing uncertainty and dynamically lowering transaction costs. Public rituals serve that purpose as they not only remind individuals of their duties, but they also remind us that others are observing our behavior (Norenzayan 2013, pp. 114-117; Gill and Thomas 2023).

Organizing ritualistic practices that publicly communicate a society’s folklore and moral codes invariably will become the domain of a set of individuals adept at memorizing and presenting such information in a compelling manner. To the extent this encompasses lessons about the supernatural (i.e., religious doctrine), societies will see the rise of shamans or priests. Before government legislation, there was theology; before politicians there were priests. While a priest performs a specialized role and results in a concentration of authority over the “law” of the society, and thus could be viewed as “government,” it is important to note that public rituals involve (nearly) all members of society. Regular community gatherings to learn, reassert, and practice social values and norms tends to disperse authority; priests serve more as coordinators than rulers. Responsibility for monitoring and enforcing these values and norms devolves to all members of society (Taylor 1982, pp. 65-89). The congregational nature inherent in most religions yields a dispersion of authority that is qualitatively different than hierarchical states. Clergy may often serve as adjudicators of disputes, but their role conforms more to anarchic common law than to government legislation (Stringham and Zywicki 2011). That the moral community one lives in exerts an important role in guiding behavior is foundational to the humanomics approach.

Finally, and perhaps most unique to religion as a form of governance, is the posited existence of a supernatural entity (see Stark’s definition above). The presence of God provides an ultimate and unavoidable monitor and judge of propriety. Even in small, primitive bands where iterated interactions among all members of the group were constant, not all behavior could be monitored. Opportunities for theft or shirking on one’s effort during communal labor always existed. In larger societies, the problem is much more acute. Monitoring such transgressions represents a significant transaction cost particularly when government cannot provide constant vigilance against scallywags. How could a society create a system wherein individuals self-monitored and self-enforced the norms of society? Or, to return to Lord Moulton’s

challenge, how does one obtain obedience to the unenforceable? Behold, God. A supernatural creator of the universe who issues commandments (disseminated by priests), is omniscient, and doles out rewards and punishments in the afterlife provides a mechanism for individuals to self-govern their behavior. Individuals wishing to avoid punishments in the afterlife for transgressions will exhibit pro-social behavior (Boyer 2001, pp. 185-190; Shariff and Norenzayan 2007). Adam Smith understood that God played at least some role in the cultivation of our moral sentiments (e.g., Smith 1982/1790, pp. 91, 236-37). Inculcating the young (and reminding adults) about how best to govern their own behavior via religious narratives and ritualistic practices that reinforce general rules of behavior, is a central institutional method of fostering our moral sentiments. It is through such self-governance, in light of our desire to be lovely guided by our impartial spectator, that humans manage to rise above the most base instincts and become a more cooperative species than contemporary political economy imagines.

CONCLUSION

Vernon Smith and Bart Wilson's *Humanomics* and their related work advances the study of governance and the general field of political economy in significant ways. Through the work of Adam Smith's *Theory of Moral Sentiments*, they persuasively argue and empirically demonstrate that humans are more than self-interested rational calculators, even ones with cognitive limitations. We are moral agents that reason with the thoughts, values, and approval of others in our minds. To that end, they craft an ambitious research agenda that challenges and augments standard political economy and behavioral economics. Their emerging paradigm also offers significant insights into the study of governance and would be well-heeded by those interested only in government policy as a means of pursuing human betterment. Their work is optimistic and inspiring. Yet the path they are trailblazing is still in its infancy. One opportunity for advancing their arguments revolves around understanding how humans construct institutions that foster our moral sentiments. As I have argued, religion plays an important role here. As a general institution that has ritualistically promoted social values and behavioral norms for eons, and which will likely continue well into the future, it would be judicious for more scholars to pay attention to such a powerful source of human governance.

REFERENCES

- Acemoglu, D. and J. Robinson. 2012. *Why Nations Fail: The Origins of Power, Prosperity, and Poverty*. New York: Crown Currency.
- Allen, D. 1991. What Are Transaction Costs? *Research in Law and Economics* 14(1):1-18.
- Anderson, T. and P. J. Hill. 2004. *The Not So Wild, Wild West: Property Rights on the Frontier*. Stanford: Stanford University Press.
- Bahn, P. G. 2012. Religion and Ritual in the Upper Palaeolithic. In: T. Insoll (ed.) *The Oxford Handbook of the Archaeology of Ritual and Religion*, pp. 344-357. Oxford: Oxford University Press.
- Barzel, Y. and D. Allen. 2023. *Economic Analysis of Property Rights*, 3rd ed. Cambridge: Cambridge University Press.
- Becker, G. 1968. Crime and Punishment: An Economic Approach. *Journal of Political Economy* 76(2):169-217.
- Bicchieri, C. 2005. *The Grammar of Society: The Nature and Dynamics of Social Norms*. Cambridge: Cambridge University Press.
- Boehm, C. 2012. *Moral Origins: The Evolution of Virtue, Altruism, and Shame*. New York: Basic Books.
- Bowles, S. and H. Gintis. 2011. *A Cooperative Species: Human Reciprocity and Its Evolution*. Princeton: Princeton University Press.
- Boyer, P. 2001. *Religion Explained: The Evolutionary Origins of Religious Thought*. New York: Basic Books.
- Carnoy, M. 1984. *The State and Political Theory*. Princeton: Princeton University Press.
- Chwe, M. 2001. *Rational Ritual: Culture, Coordination, and Common Knowledge*. Princeton: Princeton University Press.
- Collins, R. 2008. *Violence: A Micro-sociological Theory*. Princeton: Princeton University Press.
- D'Amico, Daniel J. 2026. Self-interest is more important than sympathy, a friendly reminder. *Cosmos + Taxis* 14:5+6:12-22.
- Durkheim, E. 1915. *The Elementary Forms of Religious Life*. New York: Basic Books.
- Ehrlich, I. 1972. The Deterrent Effect and Enforcement of Law. *Journal of Legal Studies* 1(2):259-276.
- Ellickson, R. 1991. *Order without Law: How Neighbors Settle Disputes*. Cambridge, MA: Harvard University Press.
- Fine, G. 2018. The Folklore of Small Things: Tradition in Group Culture. *Western Folklore* 77(1):5-27.
- Fukuyama, F. 2011. *The Origins of Political Order*. New York: Farrar, Strauss and Giroux.
- Gill, A. 2024. Public Choice and Civil Society. Working manuscript available at SSRN.
- . 2021. The Comparative Endurance and Efficiency of Religion: A Public Choice Approach. *Public Choice* 189(3):313-34.
- Gill, A. and M. Thomas. 2023. The Dynamic Efficiency of Gifting. *Journal of Institutional Economics* 19(1):70-85.
- Henrich, J., R. Boyd, S. Bowles, C. Camerer, and E. Fehr. 2004. *Foundations of Human Sociality: Economic Experiments and Ethnographic Evidence from Fifteen Small-Scale Societies*. Oxford: Oxford University Press.
- Hobbes, T. 1688/1651. *Leviathan*. London: Penguin Classics.
- Insoll, T., ed. 2011. *The Oxford Handbook of the Archaeology of Ritual and Religion*. Oxford: Oxford University Press.
- Kurzban, R., K. McCabe, V. Smith and B. Wilson. 2001. Incremental Commitment and Reciprocity in a Real-time Public Goods Game. *Personality and Social Psychology Bulletin* 27(12):1662-1673.
- Leeson, P. 2014. *Anarchy Unbound: Why Self-Governance Works Better than You Think*. Cambridge: Cambridge University Press.
- . 2009. *The Invisible Hook: The Hidden Economics of Pirates*. Princeton: Princeton University Press.
- Moulton, L. 1942. Law and Manners. *The Atlantic* (July):31-34.
- Norenzayan, A. 2013. *Big Gods: How Religion Transformed Cooperation and Conflict*. Princeton: Princeton University Press.
- Norenzayan, A. and A. Shariff. 2008. The Origin and Evolution of Religious Prosociality. *Science* 322(5898):58-62.
- Oakeshott, M. 1975. *On Human Conduct*. New York: Oxford University Press.
- Ostrom, E. 1990. *Governing the Commons: The Evolution of Institutions for Collective Action*. Cambridge: Cambridge University Press.
- Ostrom, E., J. Walker and R. Gardner. 1992. Covenants with and without Swords: Self-Governance Is Possible. *American Political Science Review* 86(2):404-417.
- Sahlins, M. 2017/1974. *Stone Age Economics*. London: Tavistock.
- Schoeck, H. 1987/1966. *Envy: A Theory of Social Behaviour*. Indianapolis: Liberty Fund.
- Scott, J. 2018. *Against the Grain: A Deep History of the Earliest States*. New Haven: Yale University Press.
- Scott, J. 2009. *The Art of Not Being Governed*. New Haven: Yale University Press.
- Shariff, A. and A. Norenzayan. 2007. God Is Watching You: Priming God Concepts Increases Prosocial Behavior in an Anonymous Economic Game. *Psychological Science* 18(9):803-809.
- Simon, H. 1955. A Behavioral Model of Rational Choice. *Quarterly Journal of Economics* 69(1):99-118.
- Smith, A. 1982/1790. *The Theory of Moral Sentiments*. Indianapolis: Liberty Fund.
- . 1976/1776. *An Inquiry into the Nature and Causes of the Wealth of Nations*, 2 vols. Indianapolis: Liberty Fund.
- Smith, V. and B. Wilson. 2019. *Humanomics: Moral Sentiments and the Wealth of Nations for the Twenty-First Century*. Cambridge: Cambridge University Press.

- Stark, R. 2007. *Discovering God: The Origins of the Great Religions and the Evolution of Belief*. New York: HarperOne.
- Stringham, E. 2015. *Private Governance: Creating Order in Economic and Social Life*. Princeton: Princeton University Press.
- Stringham, E. and T. Zywicki. 2011. Rivalry and Superior Dispatch: An Analysis of Competing Courts in Medieval and Early Modern England. *Public Choice* 147:497-524.
- Thaler, R. and C. Sunstein. 2008. *Nudge: Improving Decisions about Health, Wealth, and Happiness*. New Haven: Yale University Press.
- Taylor, M. 1982. *Community, Anarchy, and Liberty*. Cambridge: Cambridge University Press.
- Wilson, B. 2024. *Meaningful Economics: Making the Science of Prosperity More Human*. New York: Oxford University Press.
- . 2020. *The Property Species: Mine, Yours, and the Human Mind*. Oxford: Oxford University Press.
- Zipes, J. 2013. *The Irresistible Fairy Tale: The Cultural and Social History of a Genre*. Princeton: Princeton University Press.

NOTES

- 1 Interestingly, religion in its institutional form is discussed more explicitly and extensively in WN than TMS. See Smith (1976/1776, pp. 788-814). In TMS, Smith refers more to God (or “the great Director”) than institutional religion hinting that God may be the ultimate “impartial spectator” (Smith 1982/1790, pp. 236-37, *passim*).
- 2 While civil and political rights are often considered separate from property rights under a narrow and material definition of “property,” when one considers an individual’s personal autonomy as one’s most fundamental asset, it is possible to see how all these rights are congruent.
- 3 While there is some debate within political theory circles regarding the difference between a “state” and “government” (Carnoy 1984), I will use these terms interchangeably.
- 4 Whereas contemporary scholarship demands gender-neutral language in writing, I prefer gendered pronouns here to keep with Smith’s original rhetoric. Well-reasoned readers will allow their own impartial spectators to make the appropriate adjustments for time and place.
- 5 Considering that public choice theory reminds us that government is not all benevolent either, one might be relieved that Leviathan is not all-knowing and all-seeing.
- 6 Granted, this counterfactual is difficult to prove but common sense suggests its plausibility. One need only inventory the opportunities in our daily lives where we could “get away” with bad behavior, but we don’t.
- 7 Initial emphasis in original. Second emphasis added. The quotation to Oakeshott can be found in Oakeshott (1975, p. 58).
- 8 See also Wilson (2020, *passim*) for a similar discussion.