

The God of the Market

A Molinist Response to James M. Buchanan's Atheism

Christopher M. Russo
Doctoral Student in Economics
George Mason University

James M. Buchanan makes a striking claim: If humans have free will, then even an omniscient planner cannot foreknow the outcomes of market exchange. For Buchanan, this claim demonstrates the impossibility of achieving market outcomes by central planning. However, I argue that the Christian God would foreknow market outcomes. Moreover, despite Buchanan's atheism and anti-theism, his presuppositions (free will, subjective consciousness, and reason) carve out an explanatory role for the existence of God. In turn, God provides a foundation for objective moral value, and our creation in his image objectively defines our personal identities. These conclusions contravene Buchanan's "normative individualism" defense of liberty. Rather, on a Catholic view, one should defend liberty because of its essential role in achieving the common good.¹

Introduction

James M. Buchanan makes a striking claim: Even an omniscient planner cannot foreknow the outcomes of market exchange. In a market, he argues, individuals "confront genuine choices" requiring acts of free will. Buchanan asserts that it is logically impossible for an omniscient mind to foreknow the free choices we will make or would make.² To foreknow our choices would logically preclude our choices from being free. If an omniscient mind cannot foreknow our free choices, then it cannot foreknow the resulting outcomes either, including of market exchange.

This reasoning is an argument *a fortiori*. For Buchanan, it demonstrates the impossibility of achieving market outcomes by central planning. If even an omniscient mind cannot foreknow market outcomes, then there is no hope for the state to foreknow them, and no hope to replicate them by central planning. Thus, Buchanan defines market outcomes as “order” itself. He criticizes interpreting the Smithian simile (“as if by an invisible hand”) as though it could refer to an omniscient planner. To Buchanan, that interpretation suggests the impossible: non-spontaneous order.

However, Buchanan’s argument rests on a strongly disputed premise: that an omniscient mind cannot have foreknowledge of our free choices. Drawing on the work of Luis de Molina, I argue that the Christian God would. Omniscience (all knowing) is one of God’s classical properties. Christians affirm it as a statement of faith and defend it as a conclusion of natural theology. Rather, despite his own atheism and animated antitheism, I argue that Buchanan’s presuppositions carve out an explanatory role for the existence of God. God’s existence helps explain free will, subjective consciousness, and reason: the heart of this Nobel laureate’s work on economic choice.

In turn, the existence of God provides a foundation for objective moral value. That is to say: a common good. Contra Buchanan, that value gives us reasons for choices that go beyond our subjective valuation of economic alternatives. Moreover, our creation in God’s image objectively defines our personal identities. Contra Buchanan, our personal identities are not subjectively self-constructed. These conclusions contravene Buchanan’s “normative individualism” defense of liberty: that people desire the freedom to subjectively self-construct their identities. Rather, on a Catholic view, one should defend liberty because of its necessary role in achieving the common good.

Pausing for an Objection

Some readers will object: Buchanan’s presuppositions do not need to be explained in order for his economic analysis to succeed. For the economist seeking to explain the social order, it is sufficient to take free will, subjective consciousness, and reason as self-evident in ourselves and others. To demand from Buchanan an explanation of those faculties would be to demand an explanation of the explanation. As parents of young children know, that principle would immediately require an infinite regress, making it seemingly impossible to explain anything. Hence, one might argue, the tension between Buchanan’s views is just a bit of biography. Maybe interesting, but unimportant. After all, we all have tensions and contradictions in our thinking.

This article does contribute to a literature on Buchanan's thought, including one book on Buchanan's tensions.³ Buchanan's thought is novel, complex, and worthy of study. To my knowledge, the tension between Buchanan's anthropological presuppositions and his atheistic materialism has not been addressed by scholars. Seemingly little has been written about his metaphysical views at all. I hope it is an interesting bit of biography, indeed, which I am pleased to contribute. Critically engaging with his views is meant to honor his legacy, not diminish it.

Furthermore, I agree that Buchanan's anthropological presuppositions do not need an explanation in order for his positive analysis to succeed. For example, consider Buchanan's program of constitutional political economy. To the extent that Buchanan is only providing an invisible-hand explanation of how constitutional government could emerge and persist through the cooperation of individuals, Buchanan does not need to explain why people have the faculties of free will, subjective consciousness, and reason in the first place.⁴ Similarly, to offer theism as an explanation for those faculties, a theist does not need to answer "who designed the Designer?" According to Gregory W. Dawes,

Richard Dawkins, for instance, writes that to explain the machinery of life "by invoking a supernatural Designer is to explain precisely nothing." Why? Because it "leaves unexplained the origin of the designer." ... [Dawkins argues] that religious explanations are unacceptable because they leave unexplained the existence of their *explanans* (God). Dawkins apparently assumes that every successful explanation should also explain its own explanans. But this is an unreasonable demand. Most of our most successful explanations raise new puzzles and present us with new questions to be answered.⁵

Rather, philosophical and scientific explanations succeed or fail based on their own explanatory virtues. Here, I do not aim to judge whether Buchanan's constitutional political economy—or other endeavors of positive analysis—succeed as an explanation of our observed social order.

However, once Buchanan crosses from positive analysis to normative analysis, it is not adequate to leave his presuppositions unexplained. It becomes important to know why those presuppositions are true because the explanations have implications for normative economics. Moreover, those implications undercut Buchanan's own normative views. Moving beyond Buchanan's biography, to the extent that an economist accepts his view of the human person, they should reject his atheistic materialism for a theistic view. On a Catholic view in particular, economists should reject his normative views on value and liberty.

The Problem of Divine Foreknowledge

Buchanan's *a fortiori* argument rests on the problem of divine foreknowledge, a longstanding issue in philosophy and theology. Namely, God's sovereignty over the world would seem to preclude human free choice, and vice versa. However, the themes of divine sovereignty and human freedom are twin pillars of Christian scripture. A quintessential example is the passion of Christ. As Scripture makes clear, God planned for Jesus' betrayal, trial, and death. God brought these events to pass with certainty.⁶

[T]his man, handed over to you according to the definite plan and foreknowledge of God, you crucified and killed by the hands of those outside the law.... For in this city, in fact, both Herod and Pontius Pilate, with the Gentiles and the peoples of Israel, gathered together against your holy servant Jesus, whom you anointed, to do whatever your hand and your plan had predestined to take place. (Acts 2:23, 27–28)

Yet, Scripture also makes clear that humans freely choose. Judas freely chose to betray Jesus. The members of the Sanhedrin freely chose to condemn Jesus. Pilate freely chose to accede to the crowd's demands for Jesus' death. Indeed, they bear moral responsibility because they could have chosen otherwise. They would have chosen otherwise under other circumstances: "None of the rulers of this age understood this; for if they had, they would not have crucified the Lord of glory" (1 Cor. 2:8).

This issue was fundamental to the Protestant Reformation. In Martin Luther's *On the Bondage of the Will*, the recusant makes his characteristic denial of free will, and abandons reconciling divine sovereignty with human freedom. He argues that we are depraved by sin, which deprives us of freedom. "For if man has lost his freedom, and is forced to serve sin, and cannot will good, what conclusion can more justly be drawn concerning him, than that he sins and wills evil necessarily?"⁷

Luther argues that God's perfect foreknowledge would necessarily prohibit our free choice. If God has foreknowledge of an event, then the event must necessarily come to pass. However, true human freedom ("mutability") would require the possibility to contradict God's expectations.

[I]f God is not mistaken in what he foreknows, then the very thing foreknown must necessarily take place. Otherwise, who could trust His promises, who would fear His threatenings, if what he promises or threatens does not necessarily follow? Or, how can He promise or threaten, if his foreknowledge deceives him, or He can be thwarted by our mutability?⁸

On the basis of God's foreknowledge, Luther concludes that free will cannot exist.

For, if we believe it to be true, that God foreknows and predestines everything; and moreover, that he can neither be mistaken nor hindered in his foreknowledge and predestination; and once more, that nothing is done outside his will (a truth which reason herself is compelled to yield)—then it follows from the testimony of this same reasoning, that there can be no such thing as Freewill in man or angel, nor in any creature.⁹

A Reconciliation of Foreknowledge and Choice

Roman Catholics reject Luther's denial of free will. The contemporary responses from counter-reformer Erasmus are prominent examples.¹⁰ Yet there remain competing views within the Roman Catholic Church about the appropriate reconciliation between God's foreknowledge and human freedom. Saint Augustine and Saint Thomas Aquinas (among many others) developed theories of free will, foreknowledge, and evil.¹¹ One influential approach to free will was developed by Luis de Molina, a sixteenth-century Spanish Jesuit. Differences between the Dominican and Jesuit approaches—which I do not aim to resolve—resulted in the controversy *de auxiliis*, ending in 1607 with the Holy See ultimately affirming both positions as tenable.¹² Here, I offer Molina's perspective as one possible reconciliation of foreknowledge and choice.

Molina proposes a logical ordering of God's knowledge that preserves both God's foreknowledge and human free choice. To emphasize, this ordering is like a mathematical theorem, not like a temporal account of history. Molina divides God's knowledge into three logical parts.¹³ The first part is God's "natural knowledge" of all necessary truths. These truths (e.g., " $2+2=4$ ") are true in all possible worlds. The second part is God's "middle knowledge" of counterfactual truths. Middle knowledge includes (but is not limited to) contingent truths about the counterfactuals of human free choice. They might be expressed in the form: "The actor S in circumstances C would freely choose action A." The third part is God's "free knowledge" of the events in our actual world. In brief, natural knowledge concerns what could occur; middle knowledge concerns what would occur; and free knowledge concerns what does occur.

Begin logically prior to the creation of the universe. In this logical moment, Molina orders God's knowledge as: (1) natural knowledge, (2) middle knowledge, and (3) free knowledge. By his natural knowledge, God knows all possible worlds. By his middle knowledge, he knows which of these possible worlds are feasible for him to attain under the conditions of free choice. Among these feasible worlds, God chooses to actualize a specific world best ordered to fulfill his purposes.

By his free knowledge, he foreknows what will happen in the world he actualizes, including what his free creatures will choose in their actual circumstances.

For example, Judas could have freely chosen to betray Jesus, or he could have freely chosen not to betray Jesus. Those are facts of God's natural knowledge. Judas would have freely chosen to betray Jesus under certain circumstances but would not have under others. Those are facts of God's middle knowledge. Judas will freely choose to betray Jesus under the circumstances of the world that God actualizes. That is a fact of God's free knowledge.

Importantly, Molina's argument is not a divine determinism. God is not merely setting the billiard balls of the universe into motion, out of which our "choices" arise deterministically. Humans have free choice and God foreknows these choices by his omniscience. God is also not foregoing any sovereignty. He could have chosen otherwise. For example, he could have chosen to actualize a different feasible world, with circumstances such that Judas would not have betrayed Jesus. Or he could have actualized a world without free will and forced Judas's action.

Nor does Molina's argument make God the author of evil. In his modern revival of Molinism, Alvin Plantinga argues that moral evil exists because of our sinful free choices.¹⁴ We are debilitated by original sin but not depraved, and so we can freely choose goodness with the grace of God. Given the tremendous moral value of our freely choosing goodness over sin, God restricts himself to possible worlds feasibly achievable given free choice. He chooses among those feasible worlds based on how we will freely respond to grace. Thus, God's sovereignty works to achieve his ends through human freedom, not despite it.

Buchanan's Presuppositions for Economic Choice

Buchanan has three presuppositions about economic choice: free will, subjective consciousness, and reason. In particular, the freedom of human choice is at the center of Buchanan's economics. Buchanan argues that individuals "confront genuine choices" in a market.¹⁵ Although economists may conceptualize these choices as the maximization of some utility function subject to constraints, the utility function is only defined *ex post*. Buchanan argues that if humans do carry around preexisting utility functions, then "there is no genuine choice behavior on the part of anyone."¹⁶

Here, Buchanan implicitly recognizes the theological difficulties raised by Luther. However, whereas Luther privileges God's sovereignty, Buchanan privileges human freedom. Free will requires a moment in which humans are truly free to choose among different alternatives. Thus, Buchanan argues that our choices cannot be foreknown, even by an omniscient designer: "The potential

participants do not know until they enter the process what their own choices will be. From this it follows that it is logically impossible for an omniscient designer to know, unless, of course, we are to preclude individual freedom of will.”¹⁷

Like many economists, Buchanan explains the act of free choice by appeal to the chooser’s opportunity cost: the highest value of their foregone alternatives. Unlike many economists, Buchanan takes a radically subjective view. In *Cost and Choice*, he argues that cost is ultimately based on the chooser’s own subjective perception of his alternatives, not objective facts about nature or the structure of production. Moreover, only opportunity costs are relevant in explaining choice.

In particular, Buchanan argues that humans make choices according to the precepts of reason, a framework that he (like others in the Austrian tradition) calls “the pure logic of choice.”¹⁸ That logic might be stated as: in a situation of means and ends, one arrives at a choice between alternatives via deliberately reasoning about how to minimize opportunity costs. Buchanan defines opportunity cost in terms of six criteria. First, the opportunity cost of a choice falls exclusively on the decision-maker. Even if others are affected by his choice, he is the one foregoing alternatives. Second, opportunity cost is ultimately subjective, only existing in the mind of the decision-maker. These foregone alternatives are purely counterfactual. Third, as such, opportunity cost is based on the decision-maker’s forward-looking anticipations; and fourth, opportunity cost is never actualized. Fifth, opportunity cost cannot be externally or objectively measured because it is a subjective experience. Sixth, opportunity cost is dated to the moment of the decision, the time when your alternatives are foregone.¹⁹

Buchanan contrasts his view of opportunity cost with the views of other traditions. The classical economists Smith and Ricardo attempted to link value to objective facts about nature and the structure of production. Under restrictive conditions, Smith defined the long-run exchange value between two goods as the relative labor costs of producing those two goods.²⁰ By contrast, Buchanan’s teacher Frank Knight originally defined the opportunity cost of a choice as the price of the economic production foregone. Thus, opportunity cost is the value that others (not the chooser) place on the foregone option, and can be externally measured.²¹ For Buchanan, price only corresponds to subjective value in a world of equilibrium, without nonpecuniary motives, and without divergent expectations for the future.²² In practice, never.

The Failure of Buchanan's *a Fortiori*

Although the distinction between objective and subjective cost may seem merely academic, Buchanan argues for radical implications. On his view, human freedom and subjectivity preclude the state from achieving market outcomes by central planning, as economists such as Lange and Lerner propose with their models of market socialism.²³ In both cases, these economists propose for the state to plan and achieve the competitive market outcome better than the imperfect market itself. To achieve the competitive market outcome without markets would require for the state to know what the competitive market outcome would have been. However, if market outcomes are the result of our free choices, and our choices are ultimately the result of subjective judgments not objective facts, then that planning would require for the state to peer into our subjective decision-making. Buchanan's *a fortiori* argument aims to preclude the possibility of the state observing our subjective opportunity costs like it can measure objective facts about nature or the structure of production. His logic: If even an omniscient designer cannot have foreknowledge of our free choices because it would logically preclude our free will, then neither could non-omniscient state planners have such foreknowledge. Nevertheless, if we accept Molina's reconciliation of divine foreknowledge and free choice, then Buchanan's *a fortiori* argument fails. If God exists, then he foreknows our free choices.

I suspect Buchanan would reject Molina's defense out of hand, as though the Catholic father were considering "whether a million of angels may not sit upon a needle's point."²⁴ Besides being a Nobel laureate in economics, Buchanan was an atheist and an animated antitheist. As Geoffrey Brennan and Michael Munger report, he once furiously insulted Brennan's Ash Wednesday cross: "That's god d**ned gross! That's the grossest thing I've ever seen. You going around displaying your religion like that! I might as well go round indulging in indecent exposure!"²⁵ Buchanan "was antagonist toward religion of all kinds."²⁶

Even so, Buchanan's *a fortiori* argument can be reworked to reflect these considerations. Molina's defense, among other powerful arguments within the Catholic theological tradition, only reconciles our free choice with God's omniscience. And as Buchanan would readily affirm, the state is not an omniscient god. In this light, socialism transforms from ideology into idolatry: a belief that the state could have the omniscience of God. This view coheres with the Catholic Church's longstanding condemnation of socialism as totalitarian and atheistic.²⁷ As Pope John Paul II explains, "the fundamental error of socialism is anthropological in nature" because it envisions the individual as "a molecule

within the social organism,” an automaton whose good “can be realized without reference to his free choice.”²⁸

Some readers may object to my argument as nitpicking Buchanan. After all, Buchanan’s “Order Defined in the Process of Its Emergence” is only a single page. Yet, despite his terseness, Buchanan himself claims that his point is critically important for economists to understand.

The point I seek to make in this note is at the same time simple and subtle... In economics, even among many of those who remain strong advocates of market and market-like organization, the “efficiency” that such market arrangements produce is independently conceptualized. Market arrangements then become “means,” which may or may not be relatively best. Until and unless this teleological element is fully exorcised from basic economic theory, economists are likely to remain confused and their discourse confusing.²⁹

Peter Boettke, a scholar of Buchanan, views the article as “among the best page in economic theory penned in the last 50 years.”³⁰ Following in the Austrian tradition of Ludwig von Mises³¹ and F. A. Hayek,³² some economists—Buchanan and Boettke among them—place a premium on epistemic arguments against the viability of state central planning. Indeed, Buchanan’s *a fortiori* would seem to be a knockdown argument. To seriously consider his viewpoint, one must critically examine his argument’s philosophical and theological premises.

The Role of God in Buchanan’s Economics

Moreover, Buchanan’s economic presuppositions carve out a central explanatory role for the existence of God. Natural theologians have long argued that these faculties of the human mind point to the existence of God. That is to say, the existence of God is an inference to the best explanation for free will, subjective consciousness, and reason. Our creation “in his image” (Gen. 1:27) provides a nonmaterial foundation for these seemingly nonmaterial faculties. Among many philosophers and theologians—both classical and modern—the argument from consciousness is defended by J. P. Moreland³³ and Richard Swinburne³⁴; and the argument from reason is defended by Alvin Plantinga³⁵ and Victor Reppert.³⁶

Conversely, it is unclear how Buchanan reconciles his own atheistic materialism with his economic presuppositions. Ultimately, how can minds arise from nature’s elementary particles governed by fundamental physical laws, or how could such minds causally intervene thereon? A material world governed by the laws of physics seems to leave no room for genuine free choice, subjective consciousness, or reason. The atoms of our bodies and brains would be determined

by the laws of physics just as much as everything else. It would be, as C. S. Lewis wrote, an “empty universe.”³⁷

Certainly, many philosophers argue for a compatibility of determinism and free will. However, compatibilist theories do not defend the so-called libertarian free will that is central to Buchanan’s economics. Instead, akin to Luther, compatibilists aim to rationalize language like “preferences” and “choice” within the bounds of causal determinism. For example, in trying to predict my behavior, it may be useful to think about my preferences. Nevertheless, facts about “my preferences” are reducible to facts about the electrochemistry of my brain and body; and predictions about “my choices” are reducible to electrochemical models of physics. As John Searle comments, “all mental phenomena whether conscious or unconscious, visual or auditory, pains or tickles, itches, thoughts, indeed, all of our mental life, are caused by processes going on in the brain.”³⁸ In turn, these electrochemical processes can be reduced to facts about fundamental physical objects and predictions of fundamental physical laws, all without free choice.

Buchanan and Viktor J. Vanberg gesture at two defenses: physical nonlinearities and randomness.³⁹ Both defenses fail. Even Newtonian gravity is nonlinear, but humans no more choose to fall to Earth than an apple or asteroid. Similarly, even if quantum mechanics brings randomness into the universe, we do not choose the outcomes of those dice throws. While nonlinear, stochastic interactions may pose practical problems for predicting physical outcomes, that does not make those outcomes the result of free choice. Why cannot economists predict choice like astronomers predict the movement of planets, at least in principle if not always in practice?

Reconciling atheistic materialism with subjective consciousness and reason faces similar difficulties. I contend that common attempts to explain consciousness or reason as “complex” or “emergent phenomena” of the brain only underscore our own scientific ignorance. I do not deny that our minds are embodied, but that materialism has at all adequately explained the mind itself. The atheist philosopher Daniel C. Dennett bites the bullet, famously arguing that consciousness is an illusion of the brain that emerged as a byproduct of evolution by natural selection.⁴⁰ In Dennett’s view, the complexity of the physical causes underlying human actions makes them inscrutable to the actor, and so the actor is fooled into believing that his actions are not driven by physical causes.⁴¹ Similarly, the atheist philosopher Sam Harris chalks up free will to illusion.⁴² Even worse, as Plantinga argues, purely evolutionary accounts of the human mind pose a problem for the atheist: evolution would adapt our cognition for genetic fitness and not reason. On this view, the atheist could not rationally trust their beliefs, including their atheism.⁴³

Atheistic materialism reduces human choice to an outcome determined by the laws of physics, possibly with random chance. Remember, Buchanan objects to a similar reduction of choice to the deterministic outcome of preexisting utility functions precisely because it eliminates the freedom, subjectivity, and reason inherent to human choice. Yet, if Buchanan is right about human choice, then the atheist carves out a central role for God in economics.

The Common Good

On Christian theism, the existence of God endows the universe with objective moral value separate from Buchanan's subjective economic value. As a result of objective moral value, there is an objective standard of justice giving us inalienable rights and duties. These rights and duties supersede individual preferences and anticipations (contra Buchanan), as well as societal norms. Indeed, Pope Leo XIII observes that justice demands more than mere consent and respect for property. Importantly, the employer of the working man must keep in mind "the good of his soul." For example, the employee must have time off for religious duties and must be kept safe from "corrupting influences and dangerous occasions." The employer's "great and principal duty is to give every one what is just," including a just wage.⁴⁴

For the elimination of all doubt, "just wage" does not simply mean "equal to the marginal product of labor," which would thereby make perfectly competitive factor markets a logically sufficient condition for economic justice. Rather, according to Andrew Abela, "Catholic social teaching states that, in order to be just, wages should be sufficient to maintain a family with enough left over to allow for savings to help meet the uncertainties of life and to leave to children. Across the twentieth century, the popes have affirmed this teaching repeatedly."⁴⁵ Wages play both an economic and a moral function.

Objective moral value imposes an "external" and "independently defined objective against which the results of the market process can be evaluated," precisely that which Buchanan and Vanberg deny.⁴⁶ Contra Buchanan's original contention from "Order Defined in the Process of Its Emergence," the market does not have the privileged status of uniquely defining "order." Rather, the market is an imperfect institution that can be evaluated against the moral standard. As articulated by Harold Demsetz, the normative problem becomes one of comparative institutional analysis, or comparing the market against other imperfect institutions (e.g., family, Church, and state) and finding the relatively best mix.⁴⁷

Catholic teaching calls this objective moral standard the "common good." I suspect that Buchanan would bristle at the term, imagining a romanticized

rebranding of Pigouvian welfare analysis. That popular usage is far from the Catholic meaning. The economist Alexander D. Binder summarizes,

Altogether, a good and just economic system—one that serves the common good—will protect the dignity of the person with special care for the poor and vulnerable, affording them enough resources to live and foster a life of virtue and holiness, as well as providing them an opportunity to work for their own good and the good of all without compromising the dignity of the environment, and all while granting each social unit its proper freedom to act with regard to its particular responsibilities.⁴⁸

Indeed, as Binder echoes, seeking the common good differs from neoclassical welfare analysis in important ways. The principal difference is that the common good prescribes the appropriate means and ends of economic activity, whereas welfare analysis concerns using economic activity to satisfy our preexisting desires. Since the fall of man, the divergence between what we ought to desire and what we do desire has been a defining characteristic of human life. In contrast with welfare analysis, Catholic social teaching emphasizes norms such as the dignity of the person and the dignity of work, the primacy of the family, and preferential treatment of the poor.

The common good is also not a particular political platform. It does not prescribe specific political views on immigration, unions, the minimum wage, or other contentious public policy issues. I do not advocate any such views here. For example, the requirement for employers to pay a just wage does not dictate that the US federal government must require a \$15.00 per hour national minimum wage. For example, the principle of subsidiarity cautions us to seek justice at lower levels of social organization, such as the level of the individual, the firm, and locality.⁴⁹

Nor does the common good predetermine the outcome of economic analysis. Economics, as a positive science, continues to play an essential role in understanding our social order and the likely effects of specific policy proposals. Rather, the common good is a lens through which to evaluate those likely effects and how they are achieved. Indeed, it would be important to understand the extent that a minimum wage would restrict the employment opportunities for the most vulnerable among us. Yet, applying such understanding to make a moral judgment is ultimately a matter of wisdom, not staid scientific analysis.

The Meaning of Liberty

As President Lincoln observes in an 1864 Baltimore speech, “We all declare for liberty; but in using the same word we do not all mean the same thing.”⁵⁰ Also in Baltimore, Pope John Paul II later explained the Catholic view that liberty “consists not in doing what we like, but in having the right to do what we ought.”⁵¹ That is, liberty is distinguished from license by reference to the common good. Our creation in God’s image objectively defines our personal identities and moral responsibilities. Our identities and responsibilities are not the result of subjective self-construction constrained by natural limits, as Buchanan proposes under the banner of “natural and artifactual man.”⁵² Rather, as Pope John Paul II describes, “man’s true identity is only fully revealed to him through faith.”⁵³ The objectivity of our personal identities as sons and daughters of God contravenes Buchanan’s “normative individualism” defense of liberty: “Man wants liberty to become the man he wants to become.”⁵⁴

The distinction between these two conceptions of liberty is not scholastic. Echoing Buchanan’s view, Justice Anthony Kennedy writes, “At the heart of liberty is the right to define one’s own concept of existence, of meaning, of the universe, and the mystery of human life.”⁵⁵ He was defending the right to direct abortion as a prerequisite for women’s subjective self-construction. “The destiny of the woman must be shaped to a large extent on her own conception of her spiritual imperatives and her place in society.”⁵⁶ Abortion is a means within nature’s constraints to achieve that end.

As Justice Antonin Scalia observes in his dissent to Justice Kennedy, the same could be said of bigamy.⁵⁷ And as Justice Samuel Alito observes in the Supreme Court’s opinion overturning the US constitutional right to abortion, that view of liberty would also permit illicit drug use, prostitution, and assisted suicide.⁵⁸ Indeed, Buchanan’s conception of liberty would seem to permit anything so long as it could be rationalized as consistent with the subjective preference of someone, in someplace, at some time. By contrast, the Church condemns direct abortion as a grave moral evil because “it is the deliberate killing of an innocent human being,” a violation of their inherent human dignity.⁵⁹

What about the moral status of private property and market exchange? Are these liberty or license? As Pope John Paul II explains, liberty includes the right to private ownership and enterprise because of its central role in promoting the common good:

Man fulfills himself by using his intelligence and freedom. In so doing he utilizes the things of this world as objects and instruments and makes them his own. The foundation of the right to private initiative and ownership is

to be found in this activity. By means of his work man commits himself, not only for his own sake but also for others and with others. Each person collaborates in the work of others and for their good. Man works in order to provide for the needs of his family, his community, his nation, and ultimately all humanity.⁶⁰

In contrast with this view, Adam Smith famously argues in *Wealth of Nations*, “It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity but to their self-love, and never talk to them of our own necessities but of their advantages.”⁶¹ Smith speaks to the psychology of the individual; Pope John Paul II speaks to his and her ultimate teleological end.

Out of our private collaboration emerges a social order that promotes the common good. Following Smith, we can recognize this social order as truly spontaneous: It could not have been designed by the human mind yet is the result of our self-interested free choices. Yet, contra Buchanan, we can also recognize this social order as non-spontaneous: The ultimate result of God’s loving guidance since the moment of creation, as if by an invisible hand.

Notes

1. For comments that improved this article, I thank Kevin Augustyn, James Broughel, Christopher Coyne, Brian Knight, Eileen Norcross, Veronique de Rugy, Samuel Gregg, Michael Pakaluk, Alexander William, and two anonymous reviewers. This research was motivated by readings and discussion in Professor Coyne’s course in microeconomic theory at George Mason University. All views expressed are mine alone.
2. James M. Buchanan, “Order Defined in the Process of Its Emergence,” *Literature of Liberty* 5, no. 4 (1982): 5.
3. Peter J. Boettke and Solomon Stein, eds. *Buchanan’s Tensions: Reexamining the Political Economy and Philosophy of James M. Buchanan* (Arlington: Mercatus Center at George Mason University, 2018).
4. Edna Ullmann-Margalit, “Invisible-Hand Explanations,” *Synthese* 39, no. 2 (1978): 263–91.
5. Gregory W. Dawes, *Theism and Explanation* (New York: Routledge, 2009): 15–16.
6. The *New Revised Standard Version* translation is used throughout this article.
7. Martin Luther, *On the Bondage of the Will* [*De Servo Arbitrio*], trans. Edward Thomas Vaughan (London: A. Applegath, 1823 [1525]), 146.

8. Luther, *On the Bondage of the Will*, 284.
9. Luther, *On the Bondage of the Will*, 466.
10. Desiderius Erasmus, “De libero arbitrio diatribe sive collation,” in idem, *Collected Works of Erasmus*, ed. Charles Trinkaus (Toronto: University of Toronto Press, 1999), 76; idem, “Hyperaspistes 1,” in idem, *Collected Works of Erasmus*, 76; idem, “Hyperaspistes 2” [1527], in idem, *Collected Works of Erasmus*, 77.
11. William Lane Craig, *The Problem of Divine Foreknowledge and Future Contingents from Aristotle to Suarez* (New York: E.J. Brill Leiden, 1988).
12. Robert J. Matava, “A Sketch of the Controversy de Auxiliis,” *Journal of Jesuit Studies* 7, no. 3 (2020): 417–46.
13. Luis de Molina, *On Divine Foreknowledge: Part IV of the “Concordia,”* trans. Alfred J. Freddoso (Ithaca: Cornell University Press, 1988 [1588]).
14. Alvin Plantinga, *God, Freedom, and Evil* (New York: Harper & Row, 1974).
15. Buchanan, “Order Defined in the Process of Its Emergence,” 5.
16. Buchanan, “Order Defined in the Process of Its Emergence,” 5.
17. Buchanan, “Order Defined in the Process of Its Emergence,” 5.
18. James M. Buchanan, “Cost and Choice: An Inquiry in Economic Theory” [1979], in idem, *Collected Works of James M. Buchanan*, 20 vol. (Indianapolis: Liberty Fund, 1999), 6:40.
19. Buchanan, “Cost and Choice,” 41.
20. Buchanan, “Cost and Choice,” 6–7.
21. Buchanan, “Cost and Choice,” 13–15.
22. Karen I. Vaughn, “Buchanan as Subjectivist,” *Southern Economic Journal* 80, no. 4 (2014): 920.
23. Oskar Lange, “On the Economic Theory of Socialism: Part One,” *The Review of Economic Studies* 4, no. 1 (1936): 53–71; idem, “On the Economic Theory of Socialism: Part Two,” *The Review of Economic Studies* 4, no. 2 (1937): 123–42; Abba P. Lerner, “Theory and Practice in Socialist Economics,” *The Review of Economic Studies* 6, no. 1 (1938): 71–75.
24. William Chillingworth, *The Religion of Protestants: A Safe Way to Heaven* (London: Bell & Daldy, 1870 [1638]): 12.
25. Geoffrey Brennan and Michael Munger, “The Soul of James Buchanan,” *The Independent Review* 18, no. 3 (2014): 331.

26. Brennan and Munger, "The Soul of James Buchanan," 331.
27. *Catechism of the Catholic Church*, 2nd ed. (Washington, DC: United States Catholic Conference, 2019), § 2425.
28. John Paul II, encyclical letter *Centesimus Annus* (May 1, 1991), 13.
29. Buchanan, "Order Defined in the Process of Its Emergence," 5.
30. Peter Boettke, "Order Defined in the Process of Its Emergence," *Coordination Problem*, February 23, 2012, <https://www.coordinationproblem.org/2012/02/order-defined-in-the-process-of-its-emergence.html>.
31. Ludwig von Mises, *Economic Calculation in the Socialist Commonwealth* (Auburn, AL: Ludwig Von Mises Institute, 1990).
32. F. A. Hayek, *The Use of Knowledge in Society* (Menlo Park, CA: Institute for Humane Studies, 1977).
33. J. P. Moreland, "The Argument from Consciousness," in William Lane Craig and J. P. Moreland, eds., *The Blackwell Companion to Natural Theology* (Oxford: Wiley-Blackwell, 2009), 282–343.
34. Richard Swinburne, "Arguments from Consciousness and Morality," in idem, *The Existence of God*, 2nd ed. (New York: Oxford University Press, 2004), 192–218.
35. Alvin Plantinga, "The Evolutionary Argument Against Naturalism," in idem, *Where the Conflict Really Lies: Science, Religion, and Naturalism* (New York: Oxford University Press, 2011), 307–50.
36. Victor Reppert, "The Argument from Reason," in Craig and Moreland, *The Blackwell Companion to Natural Theology*, 344–90; idem, *C. S. Lewis's Dangerous Idea: In Defense of the Argument from Reason* (Downers Grove, IL: InterVarsity Press, 2003).
37. C. S. Lewis, "The Empty Universe" [1952], in idem, *Essay Collection and Other Short Pieces* (London: Harper Collins, 2000), 633–37.
38. John Searle, *Minds, Brains and Science* (Cambridge, MA: Harvard University Press), 18.
39. James M. Buchanan and Viktor J. Vanberg, "The Market as a Creative Process," *Economics & Philosophy* 7, no. 2 (1991): 167–86.
40. Daniel C. Dennett, *Consciousness Explained* (Boston: Little, Brown and Company, 1991).
41. Daniel Dennett, *Elbow Room: The Varieties of Free Will Worth Wanting* (Cambridge, MA: MIT Press): 76–77
42. Sam Harris, *Free Will* (New York: Free Press, 2012).

43. Alvin Plantinga, "Is Naturalism Irrational?" in *Warrant and Proper Belief* (New York: Oxford University Press): 216–38.
44. Pope Leo XIII, encyclical letter *Rerum Novarum* (May 15, 1891), 20.
45. Andrew Abela, "Subsidiarity and the Just Wage: Implications of Catholic Social Teaching for the Minimum-Wage Debate," *Journal of Markets and Morality* 12, no. 1 (2009): 9.
46. Buchanan and Vanberg, "The Market as a Creative Process," 181.
47. Harold Demsetz, "Information and Efficiency: Another Viewpoint," *The Journal of Law & Economics* 12, no. 1 (1969): 1–22.
48. Alexander D. Binder, "An Introduction to Catholic Economics: General Welfare, Competing Perspectives, and Human Nature," *The American Economist* 65, no. 2 (2020): 196.
49. Abela, "Subsidiarity and the Just Wage," 10–11.
50. Abraham Lincoln, *Speeches of Abraham Lincoln* (Dansville, NY: F. A. Owen Pub. Co., 1914): 393.
51. John Paul II, "Homily of His Holiness John Paul II" (Baltimore, October 8, 1995), § 7.
52. James M. Buchanan, "Natural and Artifactual Man," in idem, *Collected Works of James M. Buchanan* (Indianapolis: Liberty Fund), 1: 246–59.
53. John Paul II, *Centesimus Annus*, 54.
54. Buchanan, "Natural and Artifactual Man," 259.
55. *Planned Parenthood v. Casey*, 505 U.S. 833 (1992): 851.
56. *Planned Parenthood v. Casey*, 852.
57. *Planned Parenthood v. Casey*, 890.
58. *Dobbs v. Jackson Women's Health Organization* 597 U.S. ____ (2022): 32
59. Pope John Paul II, papal encyclical *Evangelium Vitae* (March 25, 1995), 62.
60. John Paul II, *Centesimus Annus*, 43.
61. Adam Smith, *Wealth of Nations*, vol. 1 (London: Methuen, 1904): 1.2.16.