

Capitalism as an Important Accelerator of Secularization*

Volkan Ertit¹

Abstract

The aim of this paper is to submit the theoretical framework which shows that in case capitalism is experienced in different regions of the world, it causes the dominant religious culture to go back in social level. Being an economic system in which means of production are tied to private property, the government does not intervene in economy and in which goods and services are voluntary interchange, capitalism indirectly restrains the social power of religion. While the rules on which capitalism can reproduce itself prevent any religious doctrine to intervene in economy, at the same time that everyone turns into "labor force" overcomes religious bias and invites religion to individuality. Wealth and welfare, caused by capitalism, decrease dependence on absolute authorities whether religious or not. By the time a government gives up economy, its political dominance goes back concordantly, and imposing any value on society gets hard. When all these are gathered, it is probable that the capitalist economic system restrains the power and prestige of religion on the social level.

Key Words: Capitalism – Secularization – Religion - Society

1. Introduction

Secularization, in general terms, is depicted as follows: Secularization is the relative² decrease in the social prestige and societal influence of religion, religious-like mechanisms and superstitious beliefs (supernatural or conventional) within a defined period of time and place. For secularization, Lechner (1991: 1104) emphasizes the concept of cultural pluralism that emerges with rationalization, the formation of different social stratas, and the assumption of missions by different groups which previously belonged to religious institutions. Casanova (1994: 19) highlights functionalist differentiation and, just like Lechner, social modernization as liberation of the secular sphere (state, economy, science) from the religious sphere. Dobbelaere (1999) explains secularization on a societal level as the replacement of traditional society with complex, pragmatist and modern society, the loss of the power of religious knowledge in favor of rational knowledge, and the replacement of the religion-molded traditional jurisdiction by the secular legal order. Bruce (2002: 3), on the other hand, sees secularization as the decline in people's behaviors and thoughts whose reference point used to be religion, not to mention breakdown in the previously prevalent power of religion, just as many have already pointed out above, in non-religious spheres – economy, health, education.

When it comes to the secularization process of Europe, scholars focus on eight different factors which are not independent from each other and but have appeared at different times in the history of Europe: Renaissance (15th century), Protestant Reformation (16th century), emergence of absolute monarchs (16th and 17th centuries), Scientific Revolution (17th century), Age of Enlightenment (18th century), capitalism (between 15th and 19th century), industrialization (from the middle of the 18th century to the middle of 19th century), and urbanization (19th century) . However, notwithstanding these historical factors which had played a crucial role in Europe's rising level of secularization, it does not necessarily mean that all these eight factors are indispensable for secularization to take place under the roof of various religious cultures in different corners of the world. For even though the eight aforementioned historical cases do not seem to happen in other countries as they did in Europe, still, some of them may be enough to trigger the process of secularization.

Therefore, the aim of this paper is to build a theoretical framework whereby it can be shown that if industrial capitalism is also experienced in other regions of the world, then secularization will become a reality at the societal level in those regions, too. Hence, in this chapter, I will briefly touch first on the meaning and structural characteristics of capitalism. Then, I will indicate how capitalism is a key accelerator of secularization at the theoretical level by focusing on four major corollaries of capitalism:

¹ PhD Candidate at Radboud University, The Netherlands ; Research Assistant at the University of Aksaray

² The word "relative" in the definition is used in order to prevent an absolute statement. Secularization is the decrease of the impact of religion in a certain society "more" or "less" compared to the "past." Therefore, the expression "more secular" can be used for a very religious society in comparison to the past.

1. Rules of Economy and Secularization
2. Becoming a "Workforce" and Secularization
3. Increase in Welfare and Secularization
4. Downsizing of the State and Secularization

2. Capitalism

Capitalism is an economic system wherein the means of production are privately owned. In such a system, the state does not decide how, where and how much to be produced; goods and services are voluntarily exchanged; people are free to sell their products and workforce at a price determined by a largely impersonal market; competition among producers is considered one of its main pillars (Barry, 2002; Hazlitt, 2012; Machan, 1993). As Ashford (2003: 28) has neatly summarized it, capitalism is an economic system “based on the voluntary exchange of goods and services, in which the people determine their own economic affairs, by deciding where they work, or invest, how to spend or save the fruits of their labor, and with whom they trade.” In such an economic system, the rules for a functioning economy do not stem from any historical-dogmatic teachings or dictation from society’s leaders.

Production for the masses and not just for a certain class in society is another feature of industrial capitalism. Mises (1972) mentions continuous improvement in the average standard of living and increase in wealth as some of the benefits of this system:

It is this ascension of the multitude in which the radical social change brought about by the Industrial Revolution consists. Those underlings who in all the preceding ages of history had formed the herds of slaves and serfs, of paupers and beggars, became the buying public, for whose favor the businessmen canvass (1).

Since the public ownership of production is restrained as much as possible in favor of the private sector, it means that first the economic power of the state and then parallel to it its political power are bound to decrease. Ashford (2003) depicts a very limited role for government in a free market economy:

(...) The role of government is to provide the rules or framework that enables everyone to be free, to protect them from infringements on their freedom by others. The free market is associated with economic freedom or freedom of choice: the freedom of the consumer to buy, the freedom of the trader to fix the price of his goods and services (and of the consumer to accept or refuse to pay it), the freedom of the worker to choose his job or profession, and the freedom of the producer to produce what he wishes and to employ whom he chooses (36).

These freedoms provided by capitalism have reduced the penetration power of any one person or group to seize the state and to dictate their own values on society.

These aforesaid characteristic features of capitalism have allowed a more rational and organic³ society to emerge, reducing in the process the societal prestige and influence of religion, religious-like mechanisms and all forms of superstitious beliefs (supernatural or conventional). Although there is no zero-sum relationship between capitalism and faith, it could be statistically shown that countries with a free economic system are more secular than those with a command economy (Norris & Inglehart, 2008). I am now going to examine one by one how the aforementioned characteristics of capitalism render religion less visible at least at the societal level.

3. Rules of Economy and Secularization

The ethics of capitalism is incompatible with the traditional social structure adorned with religion. The most of religions, by definition, are based on an ‘other world’ and sees ‘this world’ as only temporal. Weber (2001) saw no possibility of a compromise between bourgeois morality and traditional religious teachings. The success of a capitalist in trade is based on a number of rational decisions involving many religion-free factors. The fountainhead of all decisions, choices, measures, precautions and judgments of a capitalist is only concerned with this world. Capitalism, largely considered by traditional societies as the origin of greed, leaves no room for the supernatural or divine in running ‘this world’. Like Weber, well-

³ The term “organic” is used in a Durkheimian sense, meaning that interdependence of the component parts of society emerged with the industrial revolution (Morrison, 1995).

known Austrian economist Mises (1981) also claims that traditional social structure is a barrier to a free economy since the ethics of capitalism could not compromise with old traditions, laws, rules and morals that are mingled with religion.

People - religious or otherwise - realize that their economic success in a free market economy does not depend on their relationship with spiritual powers or ideologies of leaders. To be successful, what they need is to be able to make the right, rational, religion-free decisions regarding trade at the right time and place. While free market's entrepreneurs having to take various independent dynamics into consideration to ensure success in trade, they have to compete not only against other entrepreneurs in their own city but also other tradesmen from different cities even countries. When they seek to produce goods of good quality in a more economical way than their competitors, religious teachings, doctrines, practices, rituals and methods play no part whatsoever in that effort. Things which were previously considered sinful or improper in light of religion become an indispensable part of life by reason of capitalism. In my opinion, institutionalization and proliferation of "loan with interest" in a particular society wherein usuriousness used to be prohibited or conceived as a misdeed because of religion is one clear example of the penetrative power of capitalism.

In traditional society, the system of making money from money was actualized in the form of loaning money to the poor by the rich. This process follows a different path in the capitalist system. It is obvious that in an agricultural society, in which industrialization and capitalism are not dominant at all, people tend to need money from a "usurer" relatively less than those living in a capitalist society due to structural differences. Because, in traditional-home based societies, the loan with interest was not used to invest but to relieve one's grief or get over the devastation caused by natural disasters or diseases. The loan with interest, which often happened in very difficult times, could result in the confiscation of all properties at the end of the day. Since those loans with interest were not used to finance a particular production or produce any added values, after a period of time borrowers might find themselves in a more difficult situation. For that reason, humiliation, degradation or vilification of those usurers were not unusual in traditional societies. Like moneylender *Shylock* in Shakespeare's *Merchant of Venice*, it comes as no surprise that moneylenders are characterized as the villains in many literary works⁴.

Although it is understandable that interest on loan was considered diabolical and dirty money in religion-dominated societies in which traditional forms of production pervaded, that same interest has become one of the most fundamental features of the modern world economic system. With the increase in capital accumulation, moneylenders (banks) have taken up the central role in modern economies (Hayes, 1919: 68; Rowen, 1960: 580). Wright (1938) depicts the beginning of this transformation in English society as follows: "About the middle of the sixteenth century, English law and business began to ignore the medieval injunctions against usury. Despite the continued opposition of the Church, economics was being gradually divorced from religion."

With the development of capitalism, two structural differences arise with regard to loan with interest. First, since the middle and upper classes also need money for various reasons like investing, increasing their living standards, producing more goods, etc., wealthy people as much as poor ones have started to take out loans with interest in modern economies. And taking out loans with interest has led to the revival of economies as well as bringing about a rise in the living standards of people. With the help of such loans, people are able to buy houses, cars, properties, make investments, establish businesses without having to save money for years on end in order to reach the required amount. The second structural difference is that although only rich people were able to make money from money in pre-modern economies (to wit, whoever lent money was rich, and whoever took out loans was poor), at the present times very ordinary citizens can now make additional income by depositing their money with interest in banks. So, unlike traditional society, in capitalist economies, lending money with interest might happen between ordinary citizens and banks except that the roles are now reversed.

Religious prejudices are now forced to retreat while usury imposes itself due to the nature of free market economies themselves. As the free market economy does not allow for religious intolerance, it thus paves the way for a peaceful dialogue between different beliefs. Voltaire, who is one of the most influential

⁴ Regarding the notorious moneylenders of times past, the articles by Wright, "Some Conventions Regarding the Usurer in Elizabethan Literature" (1934) and "The Usurer's Sin in Elizabethan Literature" (1938) may supply some important insights. As can be seen in these articles, moneylenders were considered "a fix type monster" in pre-capitalist societies. Besides, expressions like "(...) usury offends Goodness divine, and disengage the knot" were frequently used in Dante's widely known work, "The Divine Comedy". Like Dante, Balzac characterized his moneylender in *Gobseck* as a cheapskate, pirate and petty, and those who had to take loan with interest from moneylenders as "victims".

and prominent philosophers of the Enlightenment, penned some letters on English religious life and politics during the period he had to live in London when he was not allowed to enter Paris. At the very beginning of the fifth letter, *On the Church of England*, Voltaire (1980: 37) depicts England with this sentence: "This is the land of sects. An Englishman, as a free man, goes to Heaven by whatever route he likes." Voltaire was talking about something quite new for his native France where Catholicism had been upheld as the only belief system for ages. To Voltaire, the reason why there was religious tolerance among Londoners from different religious backgrounds and why the bigotry was less prevalent in England than it was in France had to do with the fact that there was no traditional economic system in England but free trade. In fact, religious differences or prejudices tend to lose their power to guide societal behaviors if humans are able to come together and benefit from each other. Economic interests of societies belonging to different faiths exert more weight than religious prejudices. Since trade has to be impersonal and free from all human or religious biases, it does pave the way for very different groups to come together to collaborate on a common interest. The very impersonal character of trade naturally restrains religious prejudices from interfering with the economy. As McElroy (McElroy, 1998, June 1) states, a Jew who wishes to do business with a Muslim, or a Christian who wishes to trade with a Jew had to ignore the biases and prejudices of their own religious affiliation for such a trade to happen.

4. Becoming a "Workforce" and Secularization

Rural people of pre-industrial societies were able to produce their clothes, foods, tools and other necessities. Agricultural production was at the center of life, and there was no diversity or specialization in the production process (Treasure, 1993: 62). Whereas, the capitalist mode of production renders the division of labor, private property rights, working for a salary and private factories part and parcel of modern-day life. This new structure that came into the scene with the advent of capitalism turns everybody into the workforce as it were. Further, this structural transformation has led to an acceleration of the secularization process in two ways.

First, since the most important thing for a capitalist is to make more profit, religious identity loses its significance when it comes to recruitment. Human beings from different faiths start to work in the same workplaces and start to live in the same neighborhoods. Hood (1998, August 1) points out that capitalist enterprises play a very crucial role against religious discrimination since it would be against the principles of productivity or efficiency for company executives to exclude potential employees or customers on the basis of religious affiliation. Since capitalism is based on competition among companies, and surviving in a free market depends on profits, companies cannot run the risk of hiring someone on the basis of their religious affiliation or ethnic origin instead of their competence. As Salsman (2000, January 2) clearly explains:

To compete in a free economy means to create and offer better values to customers than rival firms. Successful competitors focus on reality, inventions, innovations, materials and methods—not on rivals per se. They're independent, unconventional, often rebellious toward accepted norms and opinions. They're first-handed. They don't copy—they originate. They don't travel well-worn paths—they blaze new commercial trails. They are forward-looking—not mired in the past or in the status quo or burdened by conventional habits. They're not passive order-takers or servants of demanding consumers. They invent products and processes that consumers never heard of nor could dream of.

Gorman (1993) rightly argues that religion would be one of the hiring criteria if state-owned enterprises instead of private sectors run the economy. To him, while such a system can cause waste of resources and depletion, at the same time it aggravates the friction between religious groups nurtured by the state and discriminated ones. Since the loss of state-owned enterprises is compensated with taxes, it is not merit but loyalty to the government that is important in such economies. Whereas, capitalists, who want to maximize their profits, do not recruit staff in accordance with their religion or their loyalty to the boss's ideology or faith. Capitalists are more keen on finding the most productive staff without taking their religious affiliation into account. The religious identities of workers in an automobile factory are of no concern to factory owners. Therefore, compared to a statist economy, a capitalist society is highly likely to encounter less religious discrimination. For example, at present, it is not Muslim Turks who are working in privately owned mines in the city of Zonguldak but Taoists, Buddhists or people with folk beliefs from China.

The second reason why turning everyone into the workforce accelerates the secularization process has to do with the disintegration of the traditional family structure. Since women have become part of the

workforce in capitalist economies, they now work in factories or other workplaces away from home for hours, and as such old family structures in which the role of women has been defined suffers. The way of life which has been ordered by religion⁵ is replaced with the way of life brought on by the capitalist economic system. A cultural shift comes into play in the perception of women whenever there is a transition from an agricultural society where religious values, norms and bans outweigh, to a capitalist society in which secular-rational thinking, values and evaluations pervade. In the past, the main tasks of a woman in rural areas were being her father's daughter first, and then being her husband's spouse, and lastly being a mother to her children. However, women becoming part of the workforce in modern capitalist-industrial society comes before anything else. Women, who previously had very limited options in terms of jobs (getting married, working in fields, being a shop-jerker at the nearest shop, etc.), and who even had no say in choosing her husband, become relatively free individuals with opportunities being provided to them by industrial capitalism. Women, who are now able to break out from the traditional pressures of agricultural communities, now have more job options in capitalist societies; they can make friends with people from different cultures which is clearly not possible in agricultural communities; and since they have become stronger economically, they are also now entitled to the last word on marriage. Unlike traditional societies where the number of children per family was often determined by religion-inspired traditions, in modern capitalist societies it is no longer tradition or religion but 'worldly' concerns such as health and education that decide how many children a woman will have. Such a transformation in daily practices and mindset has also led to a fall in birth rate. Needless to say, women more or less are forced into having less children to maintain their working life in capitalist societies. Therefore, it is no coincidence that one of the most serious problems facing present-day capitalist societies is a rapid decline in population rate. In fact, the rapid decline in childbirth (Yew, 2012, October 6; East-West Center, 2013) has forced governments to take serious measurements in this regard.

More than ever, women who become "individuals" by gaining economic freedom tend to get rid of the suppressions meted out by traditional social structures mingled with religion. Moreover, the number of divorces in capitalist societies (Divorce Reform & The Divorce Statistics and Studies Blog) tends to be much higher compared to that in societies where religion is still dominant. Besides, the age for the first sexual experience outside marriage has also gone down (Finer, 2007; ChartsBin Statistics Collector Team, 2009) while at the same time the number of children born out of wedlock has increased significantly in capitalist societies (Swinford, 2013; Eurostat, 2012).

5. Increase in Welfare and Secularization

Norris and Inglehart (2008: 109-10) statistically illustrated in their masterpiece, *Sacred and Secular*, that as the level of human development increases, religious values, practices and beliefs also erode. The transition from agricultural production to industrial production, the increase in service sector, the rise in the ratio of literate and healthier people, more comfortable housing conditions, more leisure times, the increase in average life expectancy, the decrease in infant mortality rates, reduction in health care costs, proliferation of communication tools, and a democratic form of government can all be counted as the parameters of human development. Negative changes in these parameters, on the other hand, render societies more vulnerable with respect to life's challenges. It is highly likely that societies which are exposed to the destructive power of nature, severe poverty or live under state suppression are more religious or more inclined towards the sacred than those societies which live under secure, peaceful and affluent conditions. As people tend to go to shrines, temples or other holy places for their incurable diseases while preferring hospitals for curable ones, in the same way, the more societies are faced with devastating physical and social risks or ills, the more they use non-secular ways to cope with them.

By reference to Smith's well-known metaphor of the "invisible hand", in a system where private property and freedom of contract are recognized and trade is free from state intervention, individuals unintentionally increase the welfare of the community as they try to maximize their own gains in a free market. As Skousen (1994) points out, the idea that capitalism makes the rich richer and the poor poorer could not be proved by simply looking at the daily life of capitalist societies. Capitalism prevents even protected groups from controlling all the resources, offers a chance to poor people to be able to support their families, and creates opportunities for the disadvantaged people to become wealthy. Having changed

⁵ The notion of religion expressed here does not embody only the rules, bans or sanctions written in holy books. Teachings of religious leaders, traditions, customs and rules mingled with religion throughout history are included in this notion whether or not the holy books mention them. Although women working in an environment where other men work is not directly stated as a sin in the holy books of religion, such a claim may have gained a religious characteristic throughout history.

the historical structure of the discipline of economy, capitalism has brought about a dramatic increase in the national income per capita of countries which adopt it (Kasper, 2005). In addition, it helps new technologies to be developed and become widespread while increasing the level of education (Hartwell, 1965: 165). As the OECD report about international migration tendency around the globe indicates, the flow of migration is from closed economies to capitalist ones (OECD Reports on Trends in International Migration, 2001; Griswold, 2002, May 1). In other words, people tend to go where the money is or where they would have chance to be wealthy.

Table 1. Religiosity by Type of Society

	Agrarian	Industrial	Postindustrial	Eta	Sig.
RELIGIOUS PARTICIPATION					
Attend church at least weekly	44	25	20	.171	**
Pray "every day"	52	34	26	.255	***
RELIGIOUS VALUES					
Religion "very important"	64	34	20	.386	***
RELIGIOUS BELIEFS					
Believe in life after death	55	44	49	.229	*
Believe that people have a soul	68	43	32	.169	***
Believe in heaven	63	45	44	.094	*
Believe in hell	59	36	26	.228	***
Believe in God	78	72	69	.016	N/s

Notes: Significance (Sig.): ***P=.001; **P=.01; *P=.05. N/s=Not significant.

The significance of the difference between group means is measured by ANOVA (Eta.) Religious participation: "Apart from weddings, funerals, and christenings, about how often do you attend religious services these days, once a year, less often, never or practical never." The percentage attending religious services "more than once a week" or "once a week". Frequency of prayer: Q199: "How often do you pray to God outside of religious services? Would you say. . .Every day (7), more than once a week (6), once a week (5), at least once a month (4), several times a year (3), less often (2), never (1)." The percentage "every day." Religious values: Q10: "How important is religion in your life?Very important, rather important, not very important, not at all important?" The percentage "very important." Religious beliefs: "Which, if any, of the following do you believe in? Yes/No." The percentage "yes."

Source: World Value Survey/European Values Survey, pooled 1981-2001

It is commonly believed that the state might be the most well-organized institution to create and distribute wealth. However, as Swanepoel (1992) argues, increase in wealth occurs where the means of production are less controlled by the state. As has been proven several times throughout the 20th century, command economies tend to end up with the collapse of the price system and poverty within a short time. The Annual Report of the 2013 Economic Freedom of the World showed once again that countries governed by capitalism produced more wealth than those of command economies. For example, while the per capita income for capitalist countries is around 36,000 USD this amount drops sharply to 4,382 USD for command economies (Gwartney, Lawson, & Hall, 2013).

The infant mortality rate was over 40% in pre-industrial Europe. Due to extreme poverty, the population of Europe had not gone up until the 19th century. However, as Erdoğan (2002) states, a significant increase in living standards of Europeans could be seen in the period between 1760 and 1850 because of a - relatively - laissez faire⁶ economy. While capitalism has led to a fall in death rate, it has also increased the purchasing power, too. Eating and drinking habits have changed dramatically; per capita consumption of meat, sugar, tea, beer and eggs, which had once been considered luxury food items, has increased drastically and has now become ordinary consumer goods. Today, life-saving advances in the treatment of stroke, needleless injection, three-dimensional mammography for the early detection of

⁶ The original expression of laissez faire is "laissez faire, [laissez aller], laissez passer". In English, it means "Let them act, let them go". It is considered as a motto for those who glorify the economic freedom of individuals.

cancer, survival of premature babies, and the gastric bypass method against diabetes are now part of normal healthcare in modern capitalist societies. Spectacular engineering structures and innovations, as well as an increasing variety of products with falling prices are other opportunities that capitalism offers. What Erdoğan argues for the history of Europe regarding capitalism is perhaps not unique. Interestingly, Friedman (1982), recipient of the 1976 Nobel Prize in economic sciences, points to something similar for the history of the U.S. in terms of capitalism:

The United States has continued to progress; its citizens have become better fed, better clothed, better housed, and better transported; class and social distinctions have narrowed; minority groups have become less disadvantaged; popular culture has advanced by leaps and bounds. All this has been the product of the initiative and drive of individuals co-operating through the free market (164).

With the prevalence of capitalism, living standards of societies have skyrocketed; and the gap between the poor and the rich has narrowed with regard to basic needs. For all these reasons, the need of society for absolute powers (religious or non-religious) is being (or will be) reduced in the course of time. As Kirman (2005) observes, the tougher the living conditions in societies, the more they wish to live under absolute powers. Therefore, on the basis of history, it would be fair to say that the secularization process is likely to be found in capitalist societies like those of Europe, the US, Canada, Australia, New Zealand, etc., since with the proliferation of capitalism humans are bound to enjoy a higher level of prosperity that renders them less vulnerable to the unpredictability of mother nature. On the other hand, this is not (yet) the case in third world countries or in countries with rich natural resources but where the production of wealth is not based on the capitalist economic system. Religion, religion-affiliated institutions, and sacred figures/deities are more likely to be visible if not effective in those countries.

6. Downsizing of the State and Secularization

Capitalism prevents states from imposing any particular religious beliefs, doctrines or values on societies by limiting their power of penetration. Since the means of production are owned by the private sector and not the state, people are hired according to merit, and there is a direct proportion between their being continually hired and their merit towards the production process. However, if the employer is the state instead of a private entrepreneur, employees will need to have the mindset that is required for a job, or at least they have to pretend that they support the state or its institution. Since no one is responsible for the loss of state enterprises, people do not need to improve themselves; rather, they can choose to make grandstand play or to curry favor by thinking, defending or acting in accordance with government policies.

As Friedman (1982) rightly argues, the more a state interferes in the economy, the more it becomes autocratic and totalitarian in a political sense. States of command economies have more desires, tools and possibilities to disseminate their ideologies (religious or non-religious) and to make them more visible even by using force where necessary. Owning all schools, factories and other educational, political and economic institutions allow states to dictate whatever they want to sanctify or perpetrate. Sometimes, this is seen via dictation of religious identity by the state under the name of compulsory or elective-compulsory courses in state run-schools, or via deification of a human as holy. Thus, having owned the means of production, the state, via educational and communication channels, can interfere and control the lives of those who are at the mercy of the state because in terms of job opportunities, for example. In particular, throughout the 20th century it was observed that states with command economies dictated certain commonly unquestionable values, doctrines, and teachings, or they sanctified a particular ideology or person for the sake of creating a homogenous society. To those undemocratic countries, shared sanctified values were necessary to hold together the entire community and to prevent any kind of heresies from infiltrating society. Sanctification was used and considered as a guarantee of societal harmony. As McElroy (1998, June 1) summarizes:

(...) society would collapse into open violence without the cohesion provided by common values. Thus, those in authority needed to centrally plan and rigorously enforce the values that should be taught to and should be practiced by the masses. After all, if people were allowed to choose their own religious values, if values became a commodity open to competition, then civil chaos and conflict would inevitably ensue.

In contrast, capitalism prevents the accumulation of economic power in the hands of a few, and protects individuals from economic or political suppression by the political power that be. In capitalism, human beings are treated as independent individuals who are responsible for their own thoughts, personalities, works and products (Rand, 1986). By downsizing the state, capitalism reduces the number of times in which political powers may dictate what to believe, decide on behalf of individuals what is good for them, or interfere in their lives. Earning a living without need for the state's mercy relatively liberates individuals from state suppressions. As the state gets smaller and becomes less needed, it loses its power to impose on people what to believe in, what to wear or what to eat/drink.

Table 2. The Perceived Functions of Religious Authorities

	Moral Role (% Agree)	Spiritual Role (% Agree)	Family Role (% Agree)	Social Role (% Agree)	Total Function Scale (% Agree)
Postindustrial	39	34	39	58	1.6
Industrial	59	53	59	76	2.4
Agrarian	75	72	75	80	3.0
All nations	57	51	57	72	2.3

NOTE: "Generally speaking, do you think that the religious authorities in your country are giving adequate answers to...

- *The moral problems and needs of the individual*
- *The problems of family life*
- *People's spiritual needs*
- *The social problems facing our country today."*

(Yes/No) Percentage who agree. Source: WVS data, pooled 1981-2001.

For example, art is one of the areas in which capitalism has liberated individuals from the hegemony of the state, and made state-supported common values less visible if not relevant. According to Cowen (2008), artists have managed to stop living off the state or the Church for that matter with the opportunities they get from capitalism. The increase in the number of potential buyers apart from state or religious institutions, and the decrease in the price of tools that are necessary to make art have given artists the chance to be engaged with artistic production as and when they so wish. The wealth and financial security supplied by capitalism has allowed artists to reject the imposed values of the state. Therefore, it would not be an exaggeration to argue that bohemians, nihilists and avant-gardes are products of capitalism itself. Likewise, when we look at the history of art and literature, what can be observed is that artists, poets, authors, composers, and journalists have all had to praise the state-supported doctrines, beliefs, and ideologies when the state controls the means of production or powerful enough to impose certain values on society. In parallel, the 20th century has borne witness to some very deplorable tragedies, the deaths of a great number of intellectuals who criticized the state-supported or state-sanctified policies or institutions (Berlin, 2000; Raw, 2010; Chinese Posters, 2013).

7. Conclusion

Capitalism is a fundamental pillar of the modernization process. In particular, economic development (one of the most important outcomes of capitalism) has played a vital role in the transition from a traditional society to a more modern one, most clearly illustrated in the history of Europe. Capitalism is a very powerful dynamic that can turn societies characterized by a collective consciousness, hierarchy, simple division of labor, homogeneous-small-isolated communities and powerful customs and traditions into societies characterized by specialization, individualization, rationalization, advanced transportation, split-second communication, and mass production. With proliferation in the capitalist relations of production, feudal systems and values slowly disappear. This process inevitably leads to the decline in the power and prestige of social thoughts, belief systems, and traditional value judgments of pre-capitalist societies; in other words, all these feudal features lose their ability to influence society anymore. Barry (2002) explains that a traditional conservative society, and all those institutions which thrive on

keeping it alive, are in direct conflict with the spirit of openness and continuous mobility of the capitalist system.

However, it should be noted that the reason why capitalism seems to go hand-in-hand with secularization is not because there is a zero-sum relationship between capitalism and religion. Indeed, the withdrawal of religion from the societal to the individual level in capitalist societies is not because people start to question their own beliefs and then decide to collectively move away from their faith. Far from it. In fact, people of whatever religious persuasion in capitalist societies might still spend all their money on building new temples, share their profit as alms, or in some other way dictated by their own religious belief. But, when it comes to making money in a capitalist free market economy, they have no choice but to enter into a system in which secular rules dominate. They have to act 'secularly' as it were in order to survive in that kind of economic system. Unfortunately, the rules of capitalism do not allow for any spiritual teachings to take hold in the market. Indeed, by keeping its 'this-worldly' focus alive, capitalism directs human attention, desires, wishes, and plans from a so-called 'other world' towards 'this world'. In capitalism, employer and employee are supposed to be neutral towards religion, and their religious attitudes are not expected to influence their economic activity.

As the old religious habits begin to change, the frequency in which humans continue to involve themselves with religion becomes less and less while education, shopping, music, travel, clothing and other areas of life become more secular. Nevertheless, this life transition should not be interpreted to mean irreligiousness. Being unable to keep up with the old religion-dominated, traditional patterns in the new life conditions that emerged in capitalism's aftermath does not necessarily mean moving away from religion in a conscious way. It is obvious that the reason why people have started to take out loans with interest to buy a house, car or for other practical reasons is not because they have questioned their religious doctrines or some verses from their holy books but clearly something else.

And thus, should it become necessary to sum up what has been discussed thus far, capitalism, whereby the means of production are tied to private property, indirectly restrains the social power of religion. Since in capitalism everyone becomes members of the "labor force", religious bias is overcome and religion has no place in factories. The wealth and welfare that stem from capitalism reduce dependence on absolute authorities, religious or not. As government loses its power to run or even influence the economy, its political dominance likewise dwindles, so that its ability to impose any value on society becomes a lot more difficult. When all these are examined together, the underlying theme is that the capitalist economic system has the capacity to restrain the power and prestige of religion at least at the societal level.

Bibliography:

- Ashford, N. (2003). *Principles for a Free Society*. 2nd Edition. Bromma: Blomberg & Janson.
- Balzac, H. de (2013). *Gobseck*. Translated by Ellen Marriage. [www.gutenberg.org](http://www.gutenberg.org/files/1389/1389-h/1389-h.htm)
<http://www.gutenberg.org/files/1389/1389-h/1389-h.htm>
- Barry, N. (2002). Capitalism. *Piyasa 1*, (Winter), 33-38.
- Berlin, I. (2000, October 19). The Arts in Russia Under Stalin. *The New York Review of Books*.
<http://www.nybooks.com/articles/archives/2000/oct/19/the-arts-in-russia-under-stalin/?pagination=false>
- ChartsBin Statistics Collector Team. (2009). Average Age at First Sex by Country. *ChartsBin.com*.
<http://chartsbin.com/view/xxj>.
- Chinese Posters. (2013, July 9). The Mao Cult. <http://chineseposters.net>
<http://chineseposters.net/themes/mao-cult.php>
- Cowen, T. (2008). Arts. In *The Concise Encyclopedia of Economics*. 2nd Edition. Library Economics Liberty.
<http://www.econlib.org/library/Enc/Arts.html>
- Dante, A. (2005). *The Divine Comedy*. Translated by Henry Wadsworth Longfellow. Hazleton: The Pennsylvania State University. <http://www2.hn.psu.edu/faculty/jmanis/dante/dante-longfellow.pdf>
- Divorce Statistics and Studies Blog. <http://familylaw.typepad.com/stats/>
- Divorce Reform. "Non-U.S. Divorce Rates". <http://www.divorcereform.org>,
<http://www.divorcereform.org/nonus.html>

- East-West Center (2013, April 10). Declining Birth Rates Raising Concerns in Asia. <http://www.eastwestcenter.org> <http://www.eastwestcenter.org/news-center/east-west-wire/declining-birth-rates-raising-concerns-in-asia>
- Erdoğan, M. (2002). İyi Niyet, Yoksulluk ve Piyasa. *Piyasa* 3, (Yaz), 93-98.
- Eurostat. (2012, October). A Rise in Births Outside Marriage. [http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Marriage and divorce statistics#A rise in births outside marriage](http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Marriage_and_divorce_statistics#A_rise_in_births_outside_marriage)
- Finer, L.B. (2007). Trends in Premarital Sex in the United States, 1954-2003. *Public Health Reports* 122, (1), 73-8.
- Friedman, M. (1982). *Capitalism and Freedom*. The USA: The University of Chicago Press.
- Griswold, D. T. (2002, May 1). Seven Moral Arguments for Free Trade. *Cato Institute*. <http://www.cato.org/publications/commentary/seven-moral-arguments-free-trade>
- Gorman, L. (1993). Discrimination. *Fortune Encyclopedia of Economics*, David R. Henderson (Ed). New York: Warner Books.
- Gwartney, J., Robert Lawson & Joshua Hall. (2013). *Economic Freedom of the World: 2013 Annual Report*. Vancouver: Fraser Institute.
- Hayes, C.J.H. (1919). *A Political and Social History of Modern Europe*. Vol 1. New York: The Macmillan Company.
- Hartwell, R. M. (1965). The Causes of the Industrial Revolution: An Essay in Methodology. *The Economic History Review* 18, (1), 164-182.
- Hazlitt, H. (2012). *The Foundations of Morality*. Auburn: Ludwig von Mises Institute.
- Hood, J. (1998, August 1). Capitalism: Discrimination's Implacable Enemy. *The Freeman*. http://www.fee.org/the_freeman/detail/capitalism-discriminations-implacable-enemy#axzz2nY5FG5IP
- Kasper, W. (2005). *Economic Freedom and Development*. Transition Institute <http://zhuanxing.cn/uploadfile/2013/0123/20130123015640823.pdf>
- Kirman, M.A. (2005). *Din ve Sekülerleşme. Üniversite Gençliği Üzerine Sosyolojik Bir Araştırma*. Adana: Karahan Kitapevi.
- Machan, T. R. (1993, June 1). In Defense of Property Rights and Capitalism. *The Freeman*. http://www.fee.org/the_freeman/detail/in-defense-of-property-rights-and-capitalism#axzz2nY5FG5IP
- McElroy, W. (1998, June 1). The Origin of Religious Tolerance. *The Independent Institute*. <http://www.independent.org/publications/article.asp?id=153>
- Mises, L. V. (1972). *The Anticapitalistic Mentality*. Grove City: Libertarian Press.
- Mises, L. V. (1981). *Socialism, An Economic and Sociological Analysis*. Indianapolis: Liberty Fund.
- Morrison, K. (1995). *Marx, Durkheim, Weber: Formations of Modern Social Thought*. London: SAGE Publications.
- Norris, P. & Ronald Inglehart (2008). *Sacred and Secular, Religion and Politics Worldwide*. New York: Cambridge University Press.
- Organization for Economic Co-Operation and Development. (2001). *Trends in International Migration* (Report 2001). Retrieved October 23, 2013 from <http://www.oecd.org/els/mig/2508596.pdf>
- Rand, A. (1986). *Capitalism: An Unknown Ideal?* New York: Signet.
- Raw, L. (2010). Selections from Varlık 1933-2008 (2008) Osman Deniztekin(ed.); Sabahattin Eyüboğlu (2008) *the Blue and the Black*, translated by Huguette Eyüboğlu and Lynne Saka; Bengisu Rona (2008) *Orhan Kemal in Jail with Nazım Hikmet*. *European Journal of Turkish Studies* [Online], Book Reviews. URL: <http://ejts.revues.org/4253>
- Rowen, H. H. (1960). *A History of Early Modern Europe 1500-1815*. New York: Holt, Rinehart and Winston.
- Salsman, R. M. (2000, January 2). What does Competition mean under Capitalism?. *Capitalism Magazine*. <http://capitalismmagazine.com/2000/01/what-does-competition-mean-under-capitalism/>
- Skousen, M. (1994). Sorry, Charley, But That's Not Capitalism. www.mskousen.com <http://www.mskousen.com/1994/06/sorry-charley-but-thats-not-capitalism/>
- Swinford, S. (2013, July 10). Most children will be born out of wedlock by 2016. *The Telegraph*. <http://www.telegraph.co.uk/news/politics/10172627/Most-children-will-be-born-out-of-wedlock-by-2016.html>
- Swanepoel, M. (1992). *Common Sense of Wealth Creation*. Saxonwold: The Freemarket Foundation.
- Treasure, G. (1993). *The Making of Modern Europe 1648-1780*. London and New York: Routledge.

- Voltaire. (1980). *Letters on England*. London: Penguin.
- Weber, M. (2001). *The Protestant Ethic and The Spirit of Capitalism*. Translated by Talcott Parsons. London: Routledge.
- Wright, C. T. (1934). Some Conventions regarding the Usurer in Elizabethan. *Studies in Philology* 31, (2), 176-197.
- Wright, C. T. (1938). The Usurer's Sin in Elizabethan Literature. *Studies in Philology* 35, (2), 178-194.
- Yew, L. K. (2012, October 16). Warning Bell for Developed Countries: Declining Birth Rates. *Forbes*. <http://www.forbes.com/sites/currentevents/2012/10/16/warning-bell-for-developed-countries-declining-birth-rates/>

** This paper is for the use of the participants at the 3rd Annual Conference of Istanbul Network for Liberty. This copy may not be in the final form. No part of it may be reproduced, in any form or by any means without the prior consent of the author.*