

**Economics 1450r
Religion and Political Economy
Syllabus**

Fall 2019
Littauer M-15
Wednesdays 3-5:45p.m.

Dr. Rachel M. McCleary
Prof. Robert J. Barro
Teaching Assistant: Mr. Brian Wheaton

Sept 5: Overview and methodological approaches to the study of religion & social science; Cross-country survey data on religiosity.

Readings:

McCleary, Rachel M. and Robert J. Barro. "Religion and Economy." *Journal of Economic Perspectives* 20, 2 (Spring 2006), 49-72.

Iannaccone, Laurence R. "Introduction to the Economics of Religion." *Journal of Economic Literature* 36, 3 (September 1998), 1465–1496.

Iannaccone, Laurence, Rodney Stark and Roger Finke, "Rationality and the Religious Mind." *Economic Inquiry* 36, 3 (July 1998), 373-389.

Sharot, Stephen. "Beyond Christianity: A Critique of the Rational Choice Theory of Religion from a Weberian and Comparative Religions Perspective." *Sociology of Religion* 63, 4 (2002), 427-454.

Data Sources:

Todd M. Johnson and Brian Grim, eds. *World Religion Data Base* available through Harvard.

Todd M. Johnson and Gina Zurlo, eds., *World Christian Data Base*, available at worldchristiandatabase.org.

World Values Survey; waves around 1981, 1990, 1995, 2001, 2005. 2012. See www.worldvaluessurvey.org.

International Social Survey Programme; religion waves around 1991, 1998, 2008. See www.issp.org and www.gesis.org/issp. (The U.S. counter-part of the ISSP is the *General Social Survey* or GSS.)



Fox, Jonathan and Shmuel Sandler, *Religion & State (RAS) Data Set*, available at thearda.com.

Association of Religion Data Archives (ARDA), at thearda.com.

Iannaccone, Laurence, "Looking Backward: A Cross-National Study of Religious Trends," unpublished, George Mason University, 2003 (later called "Looking Backward: A Century of Multi-Nation Religion Statistics").

September 12: What Determines Religiosity?

The two-way causation: "Why insist that causation can work in only one direction? Is it not a little artificial to suggest that capitalist enterprise had to wait, as Weber appears to imply, till religious changes had produced a capitalist spirit? Would it not be equally plausible, and equally one-sided, to argue that the religious changes were themselves merely the result of economic movements?" R. H. Tawney, Foreword to the 1930 edition of Max Weber, *The Protestant Ethic and the Spirit of Capitalism* (London: George Allen & Unwin, Ltd.) Religiosity has a two-way interaction with political economy. With religion viewed as the *dependent* variable, a central question is how economic development and political institutions affect religious participation and beliefs. As countries become more urban, educational levels increase, life expectancy is extended, and income levels rise, all these factors influence religiosity. In this class session, we examine the first direction of causation—the effects of economic growth on religiosity.

Readings:

Adam Smith, *The Wealth of Nations* (handout on line).

Max Weber, *The Protestant Ethic and the Spirit of Capitalism*, London, Allen & Unwin, (1930), Part I: "Luther's Conception of the Calling" 85-92; Part II: A. "Calvinism" 98-128, Chapter V.

Alexis de Tocqueville, *Democracy in America* (New York: Appleton and Company, 1912), 432, 488; Chapter 23 on religion.

Rachel M. McCleary and Robert J. Barro, "Religion and Political Economy in an International Panel." *Journal for the Scientific Study of Religion* 45, 2 (June 2006), 149–175.

Larry Iannaccone, "Looking Backward: A Cross-National Study of Religious Trends." Unpublished manuscript, George Mason University 2003.

September 19, 26: Secularization Theories, Effects of Shocks on Religiosity

Many secularization theorists argue that the demand for religion is decreasing. Other analysts disagree. The term “secularization” has different meanings and the process of secularization occurs in different ways.

Readings:

September 19:

Stark, Rodney, “Secularization: R.I.P.” *Sociology of Religion* 60, 3 (1999): 249-273.

Bruce, Steve, “Christianity in Britain, R.I.P.” *Sociology of Religion* 62, 2 (Summer 2001), 191-203.

Gorski, Philip S. and Altinordu Ates, “After Secularization?” *The Annual Review of Sociology* 34 (2008), 55–85.

Hout, Michael and Claude S. Fischer. “Explaining Why More Americans Have no Religious Preference: Political Backlash and Generational Succession, 1987-2012.” *Sociological Science* 1, 9 (2014), 423-447.

September 26:

Shocks, such as natural disasters and financial crises, influence religiosity.

Chaney, Eric. “Revolt on the Nile: Economic Shocks, Religion, and Political Power.” *Econometrica* 81, 5 (2013), 2033-53.

Chen, Daniel L. “Club Goods and Group Identity: Evidence from Islamic Resurgence during the Indonesian Financial Crisis.” *Journal of Political Economy*, 118, 2 (April 2010), 300-354.

Belloc, Marianna, Francesco Drago, and Roberto Galbiati. “Earthquakes, Religion, and Transition to Self-Government in Italian Cities.” *Quarterly Journal of Economics* 131, 4 (July 2016), 1875-1926.

Anderson, Robert Warren, Noel D. Johnson, and Mark Koyama, “Jewish Persecutions and Weather Shock.” *Economic Journal*, 127 (June 2015), 924-958.

Bentzen, Jeanet Sinding. 2018. “Acts of God? Religiosity and Natural Disasters Across Subnational World Districts.” *Economic Journal* (forthcoming 2019).

First paper due September 26th.

October 3: Religion and Economic Growth

In this class, we examine the other direction of causation: The effects of religion on economic, social, and political behavior. With religion as the *independent* variable, a key issue is how religiousness affects individual traits such as diligence, honesty, thrift, integrity, thereby influencing productivity and economic performance. Another channel involves religion's effects on literacy and education more broadly.

Readings:

Robert J. Barro and Rachel McCleary, "Chapter Three: Religion and Economic Growth." *The Wealth of Religions: The Political Economy of Believing and Belonging* (Princeton University Press, 2019).

Barro, Robert J. and Rachel M. McCleary. "Religion and Economic Growth Across Countries." *American Sociological Review* 68, 5 (October 2003), 760-781.

Basten, Christoph and Frank Betz. "Beyond Work Ethic: Religion, Individual, and Political Preferences." *American Economic Journal: Economic Policy* 5, 3 (August 2013), 67-91.

Skali, Ahmed, Tony, Beatton, and Benno Torgler. "Protestantism and Effort Expenditure on the Battlefield: Soldier-level Evidence from World War II." 2019 working paper.

October 10: Islam and Economic Growth

The comparatively high levels of religious beliefs in Muslim countries should have generated high economic growth. In this class, we discuss the adverse effects on economic growth in Muslim countries from government regulation of religion and religious practices.

Readings:

Kuran, Timur, "Why the Middle East is Economically Underdeveloped: Historical Mechanisms of Institutional Stagnation." *Journal of Economic Perspectives* 18, 3 (Summer 2004), 71-90.

Chaney, Eric. "Religion and the Rise and Fall of Islamic Science." Unpublished, Harvard University, May 2016.

Campante, Filipe and David Yanagizawa-Drott. "Does Religion Affect Economic Growth and Happiness? Evidence from Ramadan." *Quarterly Journal of Economics* 130, 2 (May 2015), 615-658.

Clingingsmith, David, Asim Ijaz Khwaja, and Michael R. Kremer. "Estimating the Impact of the Hajj: Religion and Tolerance in Islam's Global Gathering." *Quarterly Journal of Economics* 124, 3 (2009), 1133-1170.

October 17, 24: Religion and Human Capital Accumulation

Religions, through beliefs and belonging, influence the accumulation of human capital and the economic development of societies. In what ways do religions foster or detract from the accumulation of human capital?

Readings:

McCleary, Rachel M. "Salvation, Damnation, and Economic Incentives." *Journal of Contemporary Religion* 22, 1 (January 2007), 49-74.

Becker, Sascha O. and Ludger Woessmann, "Was Weber Wrong? A Human Capital Theory of Protestant Economic History." *Quarterly Journal of Economics* 124 (May 2009), 531-596. (You may wish to also read their article, "Luther and the Girls: Religious Denomination and the Female Education Gap in Nineteenth Century Prussia." *The Scandinavian Journal of Economics*, 110, 4, *Economics of Education and Human-Capital Accumulation* (Dec. 2008), 777-805.

Botticini, Maristella and Zvi Eckstein. "From Farmers to Merchants, Conversions and Diaspora: Human Capital and Jewish History." *Journal of the European Economic Association* 5, 5 (September 2007), 885-926.
(You may wish to look at their book, *The Chosen Few: How Education Shaped Jewish History* [Princeton, Princeton University Press, 2012].)

Boppart, Timo, Josef Falkinger, Volker Grossmann, Ulrich Woitek, Gabriela Wüthrich. "Under What Conditions Does Religion Affect Educational Outcomes?" *Explorations in Economic History* 50, 2 (April 2013), 242-266.

Boppart, Timo, Josef Falkinger, and Volker Grossmann. "Protestantism and Education: Reading (the Bible) and Other Skills." *Economic Inquiry* 52, 2 (April 2014), 874-895.

Binzel, Christine and Jean-Paul Carvalho. 2017. "Education, Social Mobility and Religious Movements: the Islamic Revival in Egypt." *Economic Journal* 127, 607 (December), 2553-2580.

Meyersson, Erik. "Islamic Rule and the Emancipation of the Poor and Pious." *Econometrica* 82, 1 (January 2014), 226-269.

October 24: Church and State, State Religion, Protestant Reformation

Should there be a separation of church and state? Why? On what issues and in what ways? Does disestablishment encourage religious pluralism? Religious tolerance? Why do some states become sacralized while other states co-opt and secularize religion?

Readings:

Smith, Adam. *The Wealth of Nations*. (Online handout).

Barro, Robert J. and Rachel M. McCleary. "Which Countries Have State Religions?" *Quarterly Journal of Economics* 7, 1 (November 2005), 1331-1370.

Olds, Kelly, "Privatizing the Church: Disestablishment in Connecticut and Massachusetts." *Journal of Political Economy* 102, 2 (April 1994), 277-297.

Ekelund, Robert, Robert Hébert, and Robert Tollison. "An Economic Analysis of the Protestant Reformation." *Journal of Political Economy* 110 (June 2002), 646-671.

Rubin, Jared. "Printing and Protestants: An Empirical Test of the Role of Printing in the Reformation," *Review of Economics and Statistics* 96, 2 (2014), 270-286.

October 31: State Regulation of Religion and Its Consequences

According to Adam Smith, a state religion amounts to a government-sponsored monopoly of the religion market. A government does this through regulations and subsidies.

Readings:

Froese, Paul and Steven Pfaff. "Replete and Desolate Markets: Poland, East Germany, and the New Religious Paradigm." *Social Forces* 80, 2 (December 2001), 481-507.

(You may also wish to look at Froese's book, *The Plot to Kill God: Findings from the Soviet Experiment in Secularization* [Berkeley: University of California Press, 2008]).

McBride, Michael. "Religious Market Competition in a Richer World." *Economica* 77, 305 (January 2010), 148-171.

Gruber, Jonathan and Daniel Hungerman. "The Church versus the Mall: What Happens When Religion Faces Increased Secular Competition?" *Quarterly Journal of Economics* 123, 2 (May 2008), 831-862.

Second paper due October 31st .

November 7: The Club Model

Mutual aid organizations face the intrinsic problem of all collectives: How to ensure that members will give according to their ability and take according to need, rather than the reverse. Successful radical religious groups have found a solution: they select members according to their willingness to make an up-front sacrifice to signal commitment, and then use a set of prohibitions and social norms to enforce compliance. Iannaccone (1992) pointed out that this functional view of sacrifices, stigmas, and prohibitions allowed an explanation of much of what was puzzling in the economic and social behavior of Christian sects. The club model has been extended to radical Jewish sects and radical Islamists, developing a general theoretical and empirical understanding of the internal economies of radical religious organizations.

Readings:

Iannaccone, Laurence R. "Sacrifice and Stigma: Reducing Free-riding in Cults, Communes, and Other Collectives." *Journal of Political Economy* 100, 2 (April 1992), 271-291.

McCleary, Rachel and Leonard W.J. van der Kuijp, "The Market Approach to the Rise of the Geluk School, 1419-1642." *The Journal of Asian Studies* 69, 1 (February 2010), 149-180.

Berman, Eli. *Radical, Religious, and Violent: The New Economics of Terrorism*. (Cambridge: MIT Press, 2009), Chapters 3 and 4.

Abramitzky, Ran. "Lessons from the Kibbutz on the Equality-Incentives Trade-off." *Journal of Economic Perspectives* 123, 3 (Winter 2011), 185-208. (You may also wish to look at his book, *The Mystery of the Kibbutz: Egalitarian Principles in a Capitalist World*. [Princeton: Princeton University Press, 2018].)

Krueger, Alan B. and Jitka Maleckova. "Education, Poverty, Political Violence and Terrorism: Is There a Causal Connection?" *Journal of Economic Perspectives* 17, 4 (Fall 2003), 119-144.

November 14: Tolerance, Religious Competition, and Religious Diffusion

Religions compete with each other for adherents as well as geographic dominance. Newer entries into a religion market have the effect of forcing existing religions to become more effective in providing their religious goods. Religious competition creates unlikely alliances as well as prejudices and harmful practices.

Readings:

Pfaff, Steven. "The True Citizens of God: The Cult of Saints, the Catholic Social Order,

and the Urban Reformation in Germany.” *Theory and Society* 42, 2 (March 2013), 189-218.

Barro, Robert J. and Rachel M. McCleary. “Saints Marching In, 1590-2012.” *Economica* 83 (July 2016), 385-415.

Voigtlaender, Nico and Hans-Joachim Voth, “Persecution Perpetuated: The Medieval Origins of Anti-Semitic Violence in Nazi Germany.” *Quarterly Journal of Economics* 127, 3 (2012), 1339-1392.

Iyigun, M., “Luther and Suleyman.” *Quarterly Journal of Economics*, 123, 4 (November 2008), 1465-1494.

(You might wish to take a look at his book, *War, Peace, and Prosperity in the Name of God: The Ottoman Role in Europe’s Socioeconomic Development*, [Chicago, University of Chicago Press, 2015].)

Johnson, Noel D. and Mark Koyama. “Jewish Communities and City Growth in Preindustrial Europe.” *Journal of Development Economics* 127 (July 2017), 339- 354.

Michalopoulos, Stelios, Alireza Naghavi, and Giovanni Prarolo, “Trade and Geography in the Spread of Islam.” *Economic Journal: Royal Economic Society* (October 2017), 1-32.

November 21: Religion and Social Participation

Readings:

Bottan, Nicolas L. and Ricardo Perez-Truglia, “Losing my Religion: The Effects of Religious Scandals on Religious Participation and Charitable Giving.” *Journal of Public Economics* 129 (2015), 106-119.

Gruber, Jonathan and Daniel Hungerman. “Faith-based Charity and Crowd-out during the Great Depression.” *Journal of Public Economics* 91 (2007), 1043–1069.

Lim, Chaeyoon and Carol Ann MacGregor, “Religion and Volunteering in Context: Disentangling the Contextual Effects of Religion on Voluntary Behavior.” *American Sociological Review* 77, 5 (October 2012), 747-779.

November 28, December 5: Presentations of final papers.

Final papers due at the end of reading period.

Requirements

Class participation: 20%
First two papers: 40% (8 to 10 pages each)
Final paper and presentations: 40% (around 15 pages).

The papers will be written on topics to be discussed in class. The papers are to be analytical in nature, rather than descriptive or historical. The purpose of the papers is to think through your ideas on the readings and class discussions and to present reasoned arguments in favor, against, or undecided. The format of the papers is standard social science style and citation method (*University of Chicago Manual of Style*).

Contact Information and Office Hours

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