

****Please note this course is scheduled to meet weekly on Wednesdays from 2:00-3:59****

[Econ 1450: Religion and Political Economy Syllabus Fall 2017](#)

Economics 1450r

Religion and Political Economy

Syllabus

Fall 2017

Littauer M-15

Wed., 2:00-4pm

Dr. Rachel M. McCleary

Prof. Robert J. Barro

Sept 6: Overview and methodological approaches to the study of religion & social science; Cross-country survey data on religiosity.

Readings:

Iannaccone, Laurence R., "Introduction to the Economics of Religion," *Journal of Economic Literature*, September 1998.

*McCleary, Rachel M. and Robert J. Barro, "Religion and Economy," *Journal of Economic Perspectives*, Spring 2006.

Iannaccone, Laurence, Rodney Stark and Roger Finke, "Rationality and the Religious Mind," *Economic Inquiry*, 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*, 2002 (4), 427-454.

*Iyer, Sriya, "The New Economics of Religion," *Journal of Economic Literature*, 54(2), 2016, 395-441.

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.

American Religion Data Archive (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*Iannaccone, Laurence, "Looking Backward: A Cross-National Study of Religious Trends," unpublished, George Mason University, 2003 (later called "Looking Backward: A Century of Multi-Nation Religion Statistics").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 13: Church and State, State Religions, 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*](#). New York: The Modern Library, 1937, 740-751.

Olds, Kelly, â€œ[Privatizing the Church: Disestablishment in Connecticut and Massachusetts](#),â€ Journal of Political Economy, April 1994.

*Ekelund, Robert, Robert Hebert, and Robert Tollison, "[An Economic Analysis of the Protestant Reformation](#)," *Journal of Political Economy*, June 2002.

Gill, Anthony, â€œ[The Political Origins of Religious Liberty](#),â€ *Interdisciplinary Journal for Religious Research*, 2005, article 1 (p. 19-43).

*Barro, Robert J. and Rachel M. McCleary, "[Which Countries Have State Religions?](#)" *Quarterly Journal of Economics*, November 2005.

*Becker, Sascha O., Steven Pfaff, and Jared Rubin, â€œ[Causes and Consequences of the Protestant Reformation](#),â€ *Explorations in Economic History*, 62, 2016, 1-25.

Rubin, Jared, [*Rulers, Religion, and Riches: Why the West Got Rich and the Middle East Did Not*](#), New York, Cambridge University Press, 2017, Ch. 2.

Rubin, Jared, â€œ[Printing and Protestants: An Empirical Test of the Role of Printing in the Reformation](#),â€ *Review of Economics & Statistics*, 96(2), 2014, 270-286.

September 20, 27: Tolerance, Pluralism, and Religious Competition

Where there is a strong centralized, state-sponsored religion, religion will be a monopoly because the state through regulation, subsidies and enforcement mechanisms makes it so. The market approach to religion tells us that where there is minimal interference on the part of the state in the religion market, pluralism will prevail. In this model, a monopoly religion only arises when the state intervenes to promote one religion over all others. In other words, the circumstances for a natural monopoly of religion do not arise in a pure market context.

In the Tibetan case, in the absence of a central political authority, pluralism in the Tibetan religion market consisted of many Buddhist schools and sects while remaining a homogeneous religion marketâ€”Buddhism--without a high degree of variation. Contrary to the market approach to religion, we found that where there exists a diversity of religious groups, they will compete until one becomes a monopoly.

Readings:

Bruce Steve, â€œ[A House Divided: Protestant Schisms and the Rise of Religious Tolerance](#),â€ *Sociological Analysis*, spring 1986, 21-28.

McCleary, Rachel and Leonard W.J. van der Kuip, â€œ[The Market Approach to the Rise of the Geluk School, 1419-1642](#),â€ *The Journal of Asian Studies*, February 2010, 149-180.

Woods, Orlando, â€œ[Sri Lankaâ€™s Informal Religious Economy: Evangelical Competitiveness and Buddhist Hegemony in Perspective](#),â€ *Journal for the Scientific Study of Religion*, June 2012, 203-219.

Barro, Robert J. and Rachel M. McCleary, â€œ[Saints Marching In, 1590-2012](#),â€ *Economica*, 83, July 2016, 385-415.

Iyigun, M., â€œ[Luther and Suleyman](#),â€ *Quarterly Journal of Economics*, November 2008.

Iyigun, Murat. 2015. [*War, Peace, and Prosperity in the Name of God: The Ottoman Role in Europeâ€™s Socioeconomic Development*](#), Chicago, University of Chicago Press, Ch. 3.

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

Meyersson, Erik, â€œ[Islamic Rule and the Emancipation of the Poor and Pious](#),â€ *Econometrica*, 82(1), 2014, 226-269.

Anderson, Robert Warren, Noel D. Johnson, and Mark Koyama, â€œ[Jewish Persecutions and Weather Shocks](#),â€ *Economic Journal*, 127, June 2015, 924-958.

First paper due September 27.

October 4, 11: Religion, Human Capital, Economic Development

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.)

Readings:

*Weber, Max, [*The Protestant Ethic and the Spirit of Capitalism*](#), London, Allen & Unwin, 1930, 52-92, 98-99, 114-121, 172-176.

*McCleary, Rachel M., “[Salvation, Damnation, and Economic Incentives](#),” *Journal of Contemporary Religion*, January 2007.

*Barro, R.J. and R.M. McCleary, “[Religion and Economic Growth](#),” *American Sociological Review*, October 2003.

Guiso, L, P. Sapienza, and L. Zingales, “[Does Culture Affect Economic Outcomes?](#)” *Journal of Economic Perspectives*, Spring 2006.

*Kuran, Timur, “[Why the Middle East is Economically Underdeveloped: Historical Mechanisms of Institutional Stagnation](#),” *Journal of Economic Perspectives*, 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*, May 2015, 615-658.

*Becker, Sascha O. and Ludger Wößmann, “[Was Weber Wrong? A Human Capital Theory of Protestant Economic History](#),” *Quarterly Journal of Economics*, May 2009, 531-596.

Botticini, Maristella and Zvi Eckstein. 2012. [*The Chosen Few: How Education Shaped Jewish History*](#), Princeton, Princeton University Press, chapters to be determined.

Abramitzky, Ran. “[Lessons from the Kibbutz on the Equality-Incentives Trade-off](#),” *Journal of Economic Perspectives*, Winter 2011, 185-208.

Kobo, Ousman, “[The Development of Wahhabi Reforms in Ghana and Burkina Faso, 1960-1990: Elective Affinities between Western-Educated Muslims and Islamic Scholars](#),” *Comparative Studies in Society and History*, July 2009, 502-532.

Kuran, Timur and Jared Rubin, “[The Financial Power of the Powerless. Socio-Economic Status and Interest Rates under Partial Rule of Law](#),” *Economic Journal*, forthcoming.

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*, forthcoming.

October 18, 25: Secularization Theories, Effects of Shocks on Religiosity

Many secularization theorists argue that the demand for religion is decreasing. Other analysts disagree. Secularization occurs in different ways. Some shocks, such as natural disasters and financial crises, influence religiosity.

Readings:

*Finke, Roger and Rodney Stark, *The Churching of America 1776-1990*, Rutgers University Press, 1992, chapter 1.

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

Bruce, Steve, "Christianity in Britain, R.I.P.," *Sociology of Religion*, Summer 2001.

*McCleary, Rachel M. and Robert J. Barro, "Religion and Political Economy in an International Panel," *Journal for the Scientific Study of Religion*, June 2006.

Glaeser, Edward F. and Bruce Sacerdote, "Education and Religion," *Journal of Human Capital*, 2008, 2(2), 188-215.

Gorski, Philip S. and AteÅŸ Altinordu. 2008. "After Secularization?" *Annual Review of Sociology*, Vol. 34 (2008), 55-85

Froese, Paul. 2008. *The Plot to Kill God: Findings from the Soviet Experiment in Secularization*, Berkeley, University of California Press.

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

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

*Chen, Daniel L., "Club Goods and Group Identity: Evidence from Islamic Resurgence during the Indonesian Financial Crisis," *Journal of Political Economy*, 118, 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*, July 2016, 1875-1926.

November 1: 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*, October 2012, 747-779.

Second paper due November 1.

November 8: Effects of Religion on Economic Variables

Readings:

*Gruber, Jonathan, "Religious Market Structure, Religious Participation and Outcomes: Is Religion Good for You?" *Advances in Economic Analysis and Policy*, v.5, no. 1, article 5, 2005, available at www.bepress.com/bejeap/advances/vol5/iss1/art5.

Berman, Eli, Laurence R. Iannaccone, and Giuseppe Ragusa, "From Empty Pews to Empty Cradles: Fertility Decline among European Catholics," unpublished, University of California San Diego, May 2007.

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

Lehrer, Evelyn, "Religion as a Determinant of Economic and Demographic Behavior in the United States," *Population and Development Review*, December 2004, 707-726.

November 15: Religious Groups as Clubs

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 other way round? 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. In effect, if a prospective member is willing to dedicate years of his life to missionary work or study in a seminary, with little personal gain, the community can be fairly confident that he will not draw

services when in need and then defect when the time comes to donate services. Iannaccone (1992) pointed out that this functional view of sacrifices and prohibitions allowed an explanation of much of what was puzzling in the economic and social behavior of Christian sects, namely sacrifices. Berman's subsequent research on radical Jewish sects and radical Islamists has reproduced and extended Iannaccone's findings, 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*, April 1992.

Iannaccone, Laurence R., "Why Strict Churches Are Strong," *American Journal of Sociology*, March 1994.

*Berman, Eli, "Sect, Subsidy and Sacrifice: An Economist's View of Orthodox Jews," *Quarterly Journal of Economics*, August 2000.

Final paper due November 29.

November 29: Presentations of results from final papers.

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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