Probing religion's role in economic success

By David R. Francis | Staff writer of The Christian Science Monitor

The economy of nations whose people hold firm religious beliefs, especially with regard to heaven and hell, tend to grow faster.

Further, the stick represented by a fear of hell apparently stimulates growth more than the carrot of the prospect of heaven.

These are the results of a new study probing the time-honored fascination of economists with the impact of religion on economics – and vice versa.

Indeed, the foundation for this topic of study was laid in 1776 by Adam Smith in his famous book, "The Wealth of Nations," regarded as the basis of capitalism.

Almost a century ago, political philosopher and sociologist Max Weber argued that the Protestant Reformation triggered a mental revolution that made possible the advent of modern capitalism.

Today, the research is more solidly based on statistics than was the impressionistic theorizing of old. And sometimes its findings overturn old propositions.

That's what economist Robert Barro and political scientist Rachel McCleary, both at Harvard University in Cambridge, Mass, have managed to do.

Their work aims, among other things, to see if there is a link between religion and economic growth in nations. Economists still figure that religion, by teaching honesty, fairness, trust, and integrity, can promote economic growth.

The Barro-McCleary study is based partly on the World Values Survey, which looked at a representative sample of people in 66 countries in all six inhabited continents between 1981 and 1997. It asks at least 1,000 people in each country about their basic values and beliefs: What is their religious affiliation? How often do they attend a religious service? Were they raised religiously or not?

Using this and other information, Professors Barro and McCleary find that:

• In countries where the belief in hell is strong, growth of gross domestic product runs about 0.5 percent higher than average. This takes account of other factors, such as education, that influence growth rates.

These countries include Turkey, Bangladesh, Malaysia, and Pakistan, where the Muslim faith dominates. The Muslim belief in hell is often stronger than in Christianity. "Punishment from hell is vivid and clear-cut and apparently has more effect on behavior than the idea of heaven," says Barro.

• Muslim countries have been experiencing growth that is about average for developing nations.

• Nations with a high rate of attendance at religious services apparently grow more slowly than those with lower attendance. Nor does a widespread belief in God or in an afterlife help growth.
Religiosity tends to decline with economic development. But it varies according to the dimensions of that development.

As education increases, for example, religious views prosper.

This is contrary to the arguments of philosopher David Hume and Sigmund Freud, the father of psychiatry. They held that educated people are more scientific, and thus more inclined to reject religious beliefs that are based upon supernatural forces.

But the greater religiosity of the educated, seen in this study, tends to support the contrary argument that educated people are more capable or willing to make the abstractions needed to support religious beliefs. Or maybe they value more the networks and other forms of social contact provided by church activities.

People with children are more likely to attend religious services. As a nation develops, however, people on average have fewer children.

Urbanization tends to reduce religiosity. City dwellers, perhaps, find more alternative activities to attending services.

The presence of a state religion tends to boost attendance at religious services. That may arise from subsidies to the favored religion in the form of church taxes or other financial help.

Communist countries succeeded in repressing church attendance and religious beliefs. But in the 1990s, after the fall of communism, attendance bounced back about halfway.

Poland is an outlier, with the Roman Catholic church maintaining strong attendance at mass during communism. The church symbolized the opposition to the authoritarian regime. Since communism's fall, attendance has declined some.

Attendance at religious services and religious belief are highest in Muslim nations. Next strongest are Roman Catholic countries. But as the degree of religious pluralism — strong competition among churches — in a nation increases, church attendance tends to go up.

Another new study, using the same World Values Survey, finds that on average religion is good for the development of attitudes that are conducive to economic growth. That's especially so of Christian religions, while Islam is "negatively associated," because of an often negative attitude toward women, private ownership, and competition, find economists Luigi Guiso (Rome) and Paola Sapienza (Northwestern University, Evanston, Ill.), and Luigi Zingales (University of Chicago).

Yet many religious people tend to be more racist and hold less favorable views with respect to working women than those less religious or not religious, they find.

Protestants trust others and the legal system more than do Roman Catholics. Catholics support private ownership twice as much as Protestants do. Protestants and Hindus are more willing to accept income inequality and the incentive of becoming really rich than do Catholics and Muslims.

In some ways, the division between Protestants and Catholics has diminished since the Second Vatican Council in 1962. Catholics, the authors say, have become more tolerant and trusting, and have a better view of women's rights. Catholicism is not a significant obstacle to economic development today, they conclude.

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