The Economics History of State and Religion

Syllabus

Provisional Syllabus: Spring 2019 Professor: Mark Koyama
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This class will introduce PhD students to research in the economics and economic history of religion. I define the topic of the economics religion broadly. It encompasses topics in the economics of culture and overlaps with issues in economic history and institutional economics. As such this class will complement other classes and fields you take. There will be a particular focus on the political economy angle and the relationship between religion and the state.

The class will consist of a mixture of lectures, discussion and student presentations. The purpose of this class is to prepare you for research. You will work on paper ideas and papers which will ideally form the basis of either your dissertation or lead to published papers. The requirements are that you attend every class (unless you have a good reason to be absent) and write a paper at the end of the semester. As an intermediate step I will invite you to propose three paper ideas to me and to discuss these ideas after class or in my office hours. There will be student presentations at the end of the semester.

I advice you do the readings before class. The class itself will focus on my lecture slides. Based on feedback from previous classes, I intended to focus on the methods and techniques used in the papers we read as well as on their content. Starred readings are highly recommended. Non-starred readings are highly recommended but not essential.

The main book I will require for this class is

Noel D. Johnson and Mark Koyama, Persecution & Toleration: The Long Road to Religious Freedom Cambridge: Cambridge University Press, 2019

This is currently available for pre-ordering from Amazon.

1 Readings

1.1 Introduction and Overview: January 23

- Laurence R. Iannaccone, Introduction to the Economics of Religion, Journal of Economic Literature 36, Nr. 3 September 1998*
- Rachel M. McCleary and Robert J. Barro, Religion and Economy, Journal of Economic Perspectives 20, Nr. 2 Spring 2006
1.2 Economics of Culture: January 30

- L. Guiso, P. Sapienza and L. Zingales, Does Culture Affect Economic Outcomes?, *The Journal of Economic Perspectives* 20, Nr. 2 2006*

- Luigi Guiso, Paola Sapienza and Luigi Zingales, *Civic Capital as the Missing Link*, in: Jess Benhabib, Alberto Bisin and Matthew O. Jackson, editors, Handbook of Social Economics Amsterdam: Elsevier, 2011*

- Sara Lowes et al., The Evolution of Culture and Institutions: Evidence from the Kuba Kingdom, *Econometrica* 85, Nr. 4 2017*


- Alberto Alesina and Paola Giuliano, Culture and Institutions, *Journal of Economic Literature* 53, Nr. 4 2015
• Alberto Bisin and Thierry Verdier, The Economics of Cultural Transmission and the Dynamics of Preferences, *Journal of Economic Theory* 97, Nr. 2 April 2001

• George A. Akerlof and Rachel E. Kranton, Economics And Identity, *Quarterly Journal of Economics* 115, Nr. 3 August 2000

• Avner Greif, Cultural Beliefs and the Organization of Society: A Historical and Theoretical Reflection on Collectivist and Individualist Societies, *Journal of Political Economy* 102, Nr. 5 October 1994

How should economists think about culture? Can cultural values be modeled? Can they be measured? How do cultural values effect economic outcomes? How does economic change affect cultural values? This has been one of the hottest and most exciting topics within economics in recent years. We will study some of the most innovative and interesting papers in the field.

### 1.3 Religion, Beliefs, and Pro-Social Values: February 13

• Guido Tabellini, The Scope of Cooperation: Values and Incentives, *The Quarterly Journal of Economics* 123, Nr. 3 August 2008*


• Gilat Levy and Ronney Razin, Religious Beliefs, Participation and Cooperation, *American Economic Journal: Microeconomics* 4, Nr. 3 2012


• Filipe Campante and David Yanagizawa-Drott, Does Religion Affect Economic Growth and Happiness? Evidence from Ramadan, *The Quarterly Journal of Economics* 130, Nr. 2 2015*


Does religion inculcate pro-social values? Norenzayan summarizes recent research that suggests that a belief in so-called ‘big gods’ is associated with more cooperative and trusting behavior. This suggests that the belief in a moralizing god is a cultural adaption that may have evolved via group selection.
1.4 The Catholic Church & Medieval Political Economy: February 20


- Benito Arrunada, Specialization and Rent Seeking in Moral Enforcement: The Case of Confession, *Journal for the Scientific Study of Religion* 48, Nr. 3 2009

- Harold J. Berman, *Law and Revolution, the formation of the Western legal tradition* Cambridge, Massachusetts: Harvard University Press, 1983


The Catholic Church is the longest lasting institution in the world. It has had a massive impact on European history. Many aspects of the Catholic Church have recently come under the purview of economists and economic historians.

We ask how did the Catholic Church last so long? Can the Catholic Church be modeled as a religious firm? What was the relationship between the Church and the state in the medieval period? What led to the breakdown of the Catholic religious monopoly and to the Reformation?

1.5 The Jewish Communities in Medieval and Early Modern Europe: February 27

A large historical literature links the presence of religious minorities to economic prosperity. The important work of Botticini and Eckstein demonstrates that Jews had higher levels of human capital than did Christians and Muslims throughout medieval Europe. We ask: What was the economic role of the Jews? Did the presence of Jewish communities lead to faster economic growth in the premodern period?

### 1.6 The Protestant Reformation: March 6

- Sascha O. Becker, Steven Pfaff and Jared Rubin, Causes and consequences of the Protestant Reformation, *Explorations in Economic History* 62 2016*
- Jared Rubin, Printing and Protestants: Reforming the Economics of the Reformation, *Review of Economics and Statistics* 96, Nr. 2 2014*
What lead to the successful ‘entry’ of new religious firms in the religious economy of medieval Europe after 1500? Why did earlier heretical movements fail? What factors are responsible for the success and diffusion of the Protestant Reformation. What were the economic consequences of the Protestant Reformation?

No Class March 20

1.7 Religion and Economic Development: March 27

- Davide Cantoni, Jeremiah Dittmar and Noam Yuchtman, Reallocation and Secularization: The Economic Consequences of the Protestant Reformation, *Quarterly Journal of Economics* Forthcoming 2018
1.8 Religion, Violence and Ethnic Conflict: April 3


- Irena Grosfeld, Seyhun Orcan Sakalli and Ekaterina Zhuravskaya, Middleman Minorities and Ethnic Violence: Anti-Jewish Pogroms in the Russian Empire 2017

- Sascha O. Becker and Luigi Pascali, Religion, Division of Labor and Conflict: Anti-Semitism in German Regions over 600 Years, *American Economic Review* Forthcoming 2018


What is the relationship between religion and violence? Does religion cause violence? Or does it make existing tensions and conflicts more extreme? We examine several episodes of religiously inspired violence from history, particularly the persecution of Muslims by Hindus in India and the persecutions of Jews in medieval Europe. In particular we explore how religious motivations interact with economic motivations in determining the probability of religiously inspired violence.

1.9 Religion, Innovation and the State: April 10


• Metin M. Coşgel and Thomas J. Miceli, State and religion, *Journal of Comparative Economics* 37, Nr. 3 2009*
• Robert J. Barro and Rachel M. McCleary, Which Countries Have State Religions?, *The Quarterly Journal of Economics* 120, Nr. 4 2005

What is the relationship between religion and innovation? Why do some religions oppose scientific innovation? What explains episodes of religiously inspired conservatism in history? How do the relationship between religion and the state change after 1600 so as to favor innovation and growth? What is the relationship between religion and the state? How has this religion changed over time?

1.10 The Political Economy of Islam: April 10

• Jared Rubin, *Rulers, Religion, and Riches Why the West Got Rich and the Middle East Did Not* Cambridge: Cambridge University Press, 2017*
• Erik Meyersson, Islamic Rule and the Empowerment of the Poor and Pious, *Econometrica* 82, Nr. 1 01 2014*
• Christine Binzel and Jean-Paul Carvalho, Education, Social Mobility and Religious Movements: The Islamic Revival in Egypt, *The Economic Journal* 127 2017*
• Eric Chaney, Revolt on the Nile: Economic Shocks, Religion and Political Power, *Econometrica* 81, Nr. 5 2013

• Eric Chaney, Religion and the Rise and Fall of Islamic Science March 2016

What is the relationship between Islam and the state? How did Islam arise? Why did it spread where it did? Did Islamic traditions impede the transition to modern economic growth? Why has there been an Islamic revival since the 1970s? Why are so few Islamic states stable democracies? Are there reasons to believe that Islam is less inimical to liberal democracy than other world regions?

1.11 Class Presentations: April 24

1.12 Class Presentations: May 1

References


Alesina, Alberto and Giuliano, Paola: Culture and Institutions, *Journal of Economic Literature* 53, Nr. 4 2015, 898–944


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Berman, Harold J.: *Law and Revolution, the formation of the Western legal tradition* Cambridge, Massachusetts: Harvard University Press, 1983


Bisin, Alberto and Verdier, Thierry: The Economics of Cultural Transmission and the Dynamics of Preferences, *Journal of Economic Theory* 97, Nr. 2 April 2001, 298–319


Cantoni, Davide: The Economic Effects Of The Protestant Reformation: Testing The Weber Hypothesis In The German Lands, *Journal of the European Economic Association* 13, Nr. 4 08 2015, 561–598

Cantoni, Davide, Dittmar, Jeremiah and Yuchtman, Noam: Reallocation and Secularization: The Economic Consequences of the Protestant Reformation, *Quarterly Journal of Economics* Forthcoming 2018


Chaney, Eric: Religion and the Rise and Fall of Islamic Science March 2016, Working Paper


Grosfeld, Irena, Sakalli, Seyhun Orcan and Zhuravskaya, Ekaterina: Middleman Minorities and Ethnic Violence: Anti-Jewish Pogroms in the Russian Empire 2017, Mimeo


Jha, Saumitra: Trade, complementaries and religious tolerance: evidence from India, *American Journal of Political Science* 107, Nr. 4 2013

Johnson, Noel D. and Koyama, Mark: Jewish Communities and City Growth in Preindustrial Europe March 2016, Memo


Levy, Gilat and Razin, Ronney: Religious Beliefs, Participation and Cooperation, American Economic Journal: Microeconomics 4, Nr. 3 2012, 121–151

Lowes, Sara et al.: The Evolution of Culture and Institutions: Evidence from the Kuba Kingdom, Econometrica 85, Nr. 4 2017, 1065–1091


Meyerross, Erik: Islamic Rule and the Empowerment of the Poor and Pious, Econometrica 82, Nr. 1 2014, 229–269


