

BY ROBERT J. BARRO

## IS PROSPERITY NEXT TO GODLINESS?



**BELIEFS:**  
New research weakens the theory that the role of religion declines as societies become wealthier and better educated

**F**rom an academic standpoint, an important effect of the September 11 attacks was the large increase in the demand for college classes related to religion and for research on religious behavior. Coincidentally, I have been involved in a new project on religion, economy, and society, directed by Dr. Rachel M. McCleary at Harvard's Weatherhead Center for International Affairs (see the Web site: [www.wcfia.harvard.edu/religion](http://www.wcfia.harvard.edu/religion)). This project has already generated some surprising findings about the relation of religion to economic and social variables. Here are a number of them.

One area of research covers the ways that church attendance and beliefs in God, an after-life, heaven, and so on evolve as economies develop. An old idea (called the secularization hypothesis) is that attendance and beliefs decline as societies become wealthier and better educated, perhaps because people become more influenced by science and, therefore, less inclined to accept the supernatural.

The data for 60 countries over the last 20 years do show a pattern of richer societies being less religious. However, the extent of religiousness turns out to rise with education. Professor Edward Glaeser of Harvard University observes that for the U.S., within denominations, more highly educated persons tend to attend church more frequently. Religious practice, on the other hand, does fall along with other indicators of economic development, notably urbanization and life expectancy. These patterns hardly seem consistent with religion being nonscientific or nonmodern.

The research also reveals how the existence of a state religion, contrary to my expectations, has a positive effect on attendance and some religious beliefs. When, however, governments regulate religious organizations, church attendance declines, though there is no effect on people's beliefs. Church attendance seems to be stimulated by the availability of a broad array of religious choices, as in the U.S. Not surprisingly, Communist oppression dramatically reduced religious behavior. However, the experience of Eastern Europe shows that people return to church once they are liberated from Communism.

Among the major world faiths, Roman Catholicism and Islam rank highest in promoting church attendance and beliefs. Muslim nations rank particularly high in beliefs in heaven and hell. Predominantly Muslim countries also stand out by having high fertility rates and low propensities for

democracy. However, these countries tend also to have more equality of income and lower crime rates and do no worse than average on maintenance of the rule of law, levels of official corruption, and the extent of international trade. Because of the mixing of positive and negative factors for economic performance, the Muslim countries as a group experience roughly average rates of economic growth.

**RELATIONSHIP RESEARCH.** Future research plans emphasize the topic that excited the German social scientist Max Weber in his famous book on the Protestant ethic and capitalism: How does religion promote or deter economic development? Among the main religions, there is little relationship with economic performance—economic growth is about the same whether a nation is primarily Catholic, Protestant, Muslim, Hindu, or Buddhist. However, there is some indication that the extent of religious beliefs, though not the amount of church attendance, bears a positive relationship to economic growth. The ongoing research will hopefully shed more light on this type of relationship.

Professor Laurence Iannaccone of Santa Clara University has probably done the most important research over the last 15 years on the interplay between religion and economics. For the Weatherhead project, part of Iannaccone's research involves the connection between religious extremism and violence. He first analyzes the ways in which cults, fundamentalists, and other "religious extremists" maintain high levels of commitment among members. The mechanisms include indoctrination, rewards and sanctions in this life and the next, and forms of sacrifice and stigma.

Usually, extreme religious groups do no harm to outsiders, but sometimes this extremism can support acts of great violence, like those of September 11. Such violence, including the worst forms of suicidal terror, rests upon commitment mechanisms that, in other contexts, encourage acts of compassion, kindness, and self-sacrifice. The policy challenge is to deter the former while not discouraging the latter. Iannaccone's argument is that violent manifestations of religious commitment often stem from governmental suppression of economic freedom, political dissent, and religious expression. In particular, it is a great mistake for governments to try to support "good" religion while repressing "bad" religion. A better policy is to promote liberty in the religious sphere as well as in the economic and political arenas.

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