

Economy

Gregory D. Alles* [galles@mcdaniel.edu]

Abstract

This essay reviews the place of economic thought in the study of religion. It argues that a humanistic emphasis on meaning has distracted scholars of religion from the important issue of exchange relations. A brief look at recent work on the gift and on rational choice theory suggests that the study of religion still has much work to do to explore this central dimension of human life and societies.

Resumo

Este ensaio procura rever o lugar do pensamento econômico no estudo da religião, afirmando que a ênfase humanística na significação distraiu cientistas da religião das importantíssimas relações de troca. Dois breves olhares, respectivamente sobre um trabalho recente acerca do dom e sobre a teoria da escolha racional, sugerem que resta muito trabalho pela frente para a exploração, pelas ciências da religião, desta dimensão central nas vida das pessoas e das sociedades.

Economy is a significant but often overlooked thematic in the academic study of religions. It is represented in the Braun-McCutcheon *Guide to the Study of Religion* by an article on "Exchange" (Alles 2000) but is absent from the roughly contemporaneous *Critical Terms for Religious Studies* (Taylor 1998). Any number of recent discussions of theories and methods ignore it, among them *Theory and Method in the Study of Religion* (Olson 2003), *New Approaches to the Study of Religion* (Antes, Geertz, and Warne 2004) and *The Routledge Companion to the Study of Religion* (Hinnells 2005). The theme does occasionally find a place, but even when it does so, discussions can be disappointing.¹ For example, the second edition of the Macmillan *Encyclopedia of Religion* (Jones 2005: 2668-2677) simply reprints

* GREGORY D. ALLES is Associate Professor of Religious Studies and Chairperson of the Department of Philosophy and Religious Studies, Western Maryland College. He has published articles in *History of Religions*, *Method and Theory in the Study of Religion*, *Religion*, and the *Journal of Religion* and has a book in preparation, *Between Religious Studies and Public Life: Rudolf Otto's Life and Work*. He is past-President of the North American Association for the Study of Religion (NAASR).

¹ A valuable exception is G. Benavides, "Economy," In: *Critical Terms for the Study of Buddhism*.

Roland Robertson's 1987 entry on "Economics and Religion." That entry provides an excellent discussion of the ideas of Max Weber, but it completely ignores much recent work. Why have scholars of religions given economy such spotty treatment? One possible answer is a kind of elective "disaffinity." People who choose to study economics are generally interested in the production, distribution, and accumulation of wealth defined in monetary, not spiritual or symbolic, terms. They also have little concern for the careful philological, ethnographic, and more generally hermeneutical attention to other people that most scholars of religions value. Conversely, people who choose to study religions are often disinterested in, if not openly hostile to, both the materialistic orientation of economists and the mathematical tools with which they work. It should go without saying that these personal inclinations say nothing about the merit or demerit of the thematic itself.

The word "economy" derives from the Greek noun οἰκονομία, which refers to the regulation (νόμος, "law") of a household (οἶκος). Nevertheless, the range of the word "economy," in the sense of both an organized, interactive or communicative system and the management of such a system, extends well beyond the household. It encompasses the spheres of political and divine or religious economies, too. The academic discipline known as "Economics" focuses largely on political economy. That is, it analyzes the production, distribution, and acquisition of scarce goods and services within a semi-closed public system such as a nation. It does so from two fundamental perspectives, that of the economy's constituent elements (microeconomics) and that of the constituted system (macroeconomics).

Although the religious or divine economy seems not to be a very prominent topic among theologians (but see Long 2000), economic ethics is. That is especially true in an age such as ours, an age not only of economic disparity among fellow citizens but also of a World Trade Organization, International Monetary Fund, World Bank, free trade zones, and forceful attempts by some countries to shape the rest of the world in their own neo-classical image, sometimes with disastrous results (e.g., Argentina in the 1990s). Although the results of the academic study of religion may inform such discussions, it does not engage in economic ethics per se. Its orientation is descriptive, interpretive, and explanatory rather than normative. It is possible to identify the scope of the thematic "economy" within the academic study of religions by distinguishing two broad periods in its history. I will call them "classical" and "contemporary." In the classical period, typified by Karl Marx (1818-1883) and Max

Weber (1864-1920), scholars treated economy and religion as two distinct domains and examined the interaction between them. Such work is still possible, but today scholars tend to see religion as an area or field—a collection of data set apart by convention—to which they may apply economic analysis.

The Classical Period

Although Marx shared the disinterest of many economists in religion, he hinted at an important strategy for studying it. It may not be technically correct to say that he related religion and economy as *Überbau* and *Unterbau*, ideological superstructure and material infrastructure; such language appears only rarely in Marx's writings and never, so far as I know, in conjunction with religion. Nevertheless, that language gives a fair approximation of Marx's views. Religion arises, he says, as a protest against economic deprivation and the misery associated with it, but it does not address their real sources. Instead, it promises unreal rewards—"Blessed are the poor, for theirs is the kingdom of heaven"—and so perpetuates the suffering.

In lesser hands, like those of Friedrich Engels, Marx's insight acquired unconvincing specificity in the form of a correlation between different religions and stages of economic development: agrarianism, feudalism, capitalism. Even when adjusted for ecological and sociological considerations—religions of hunters and gatherers, of herders, of agriculturalists, of the earliest city-states, and so on—such schemes are too general to carry much conviction or analytical usefulness. But the basic insight that material reality precedes and conditions ideas, including religious ones, carries more potential. In the language of the social sciences, religion is the domain of the dependent variable, the economy that of the independent one.

Weber found much that was useful in Marx's analysis of religion, but he was particularly interested in the way religion and religious ethics made certain forms of economic organization possible. In his famous study, *The Protestant Ethic and the Spirit of Capitalism*, he argued that Protestantism, in particular Calvinism, was the crucible from which capitalism emerged. Calvinists needed a sign of God's favor in order to alleviate anxiety over their election by God. In response, they encouraged hard work leading to prosperity. At the same time, their tendency to discourage consumption and indulgence in pleasures gave impetus to savings and investment. The result was an "inner-worldly asceticism" that formed the cradle

of capitalism. (In reality, capitalism arose before Calvinism.) In a later series of studies Weber detailed the varying impacts of the economic ethics of several religions on economic organization.

Scholars of religions have often found Weber's analysis of economy and religion attractive, as they have many other features of his thought. Marx's views, by contrast, have had to contend not only with political opposition but also with the charge of reductionism. Nevertheless, it is no more possible to make the economy depend entirely on religion than it is to make religion depend entirely on the economy. To the extent that one chooses to distinguish these two domains, one must admit that they intersect in many complex ways.

The Contemporary Period

Many still prefer to treat religion and the economy as separate domains, but in the contemporary period that identification has been called into question. For example, noting various processes of exchange—of land, women, and murder and vengeance—Pierre Bourdieu (1977: 183) argues that it is necessary "to abandon the dichotomy of the economic and the non-economic which stands in the way of seeing the science of economic practices as a particular case of a *general science of the economy of practices* [*sic*], capable of treating all practices ... as economic practices directed towards the maximization of material or symbolic profit." Indeed, certain recognized features of the economic domain narrowly conceived might make us at least pause before cleanly separating it from religion. Consider credence goods (goods that one believes one is purchasing but that one may never actually see, like life insurance), fiduciary notes (currency which depends upon the faith of the users), and gifts to unseen agents, such as, in the case of most citizens of the United States most of the time, the Internal Revenue Service.

Many prefer to see religion as an activity of constructing or buttressing meaning. But as Bourdieu observes, the focus on meaning—so popular in anthropological thinking from the 1960s onward—largely reflects the dynamics of "[t]he anthropologist's particular relation to the object of study ... [The position of being] an observer, excluded from the real play of social activities by the fact that he [*sic*] has no place ... in the system observed and has no need to make a place for himself there, inclines him to a hermeneutic representation of practices, leading him to reduce all social relations to communicative relations and, more

precisely, to decoding operations" (Bourdieu 1977: 1). To this we might add a further suggestion: that another source of religion as the construction of meaning was the attempt by liberal Christians to extricate themselves from a system of practices that they no longer found tenable. These Christians sought in the hermeneutical conception of religion a safe haven for Christianity at a time when both new historical knowledge and the growing explanatory power of the natural and social sciences were making traditional Christian beliefs and the practices based upon them obsolete.

For most people most of the time, religion has been an instrument for acquiring benefits (real or imagined), managing risks, and negotiating uncertainty. In that sense it involves economic thought and behavior, even if it does not always assume the highly monetarized and bureaucratized forms that it does, for example, among the Pomio Kivung of Papua New Guinea. While religion often involves exchange with non-empirical or superhuman beings or their agents, it is probably worth noting that such beings are not necessary partners to religious exchange. Whatever the status of "god" in Buddhism may be, Theravāda *bhikkhus* are not agents in quite this sense, and neither were the Manichaeans.

Reflecting upon gift exchange among the Kabylis, Bourdieu (1977) has emphasized just how complex such exchanges can be. Neither the phenomenological approach of Marcel Mauss (1925) nor the structuralist codes abstracted from experience by Claude Lévi-Strauss (1949) quite capture gift exchange as a living, active practice. That is because gift giving involves strategic calculation over time (9, 35-36). Its masters are crafty and wily, seeking to better their positions and avoid being bested. Bourdieu emphasizes the importance not only of monetary but also of symbolic factors in these strategic calculations: symbolic capital, symbolic labor, symbolic profit, and so on (41, 56, 65, 171-183).

Bourdieu's approach to gift-giving can be more broadly useful in describing and interpreting specific data in the study of religions. But to the extent that scholars of religions aspire to explain their data, they need to do more. They need to consider how they might adequately model the complex processes of the religious economy. Bourdieu, apparently inspired by Chomskyan linguistics, suggests that actual practice may result from the operation of a small number of usually unarticulated and only partially integrated generative principles (72, 110, 142). Unfortunately, his notion of the *habitus*, an update of Aristotle's ἥξις, does not take us

very far in understanding these principles. It does little more than identify patterns that need explanation.

The most important economic models currently available for religion employ a single procedural rule: human beings act to maximize utility. This is the tradition of rational choice. Gary Becker (e.g., 1976) has inspired much work from the point of view of economics. An early example is Azzi and Ehrenberg's (1975) model for the allocation of time across the human lifespan, but the empirical application of that model has proven unsatisfactory (Ehrenberg 1977). More recently, Laurence Iannaccone has written a number of papers on topics such as human capital and the benefits of a free market in religion (e.g., Iannaccone 1998). Even more prominent has been the sociologist of religion Rodney Stark, whose numerous books employ economic models to explain the spread and prominence of various religions.

In its emphasis on competition within free markets, its tendency to supply-side explanations, and its sympathy for conservative religious movements, this work can seem rather Reaganesque, but that impression is hardly a reason either to reject or accept it. In addition, not all rational choice arguments are convincing. For example, when Stark and Finke (2000: 52-55) argue that religion is rational because natural scientists are both more rational and more religious than social scientists, they manage to demonstrate nothing so much as a failure of logic. Nevertheless, if one wants to critique rational-choice models in the study of religions (cf. Young 1997), one must do so on other grounds.

Neo-classical economics is as much a normative as it is a descriptive or explanatory discipline. Having grown up in close collaboration with business practice, it identifies how one should act in order to maximize profit or social welfare defined in monetary terms. (In calculating social welfare, it refuses to consider the distribution of wealth.) To the extent that one's goal is to maximize monetary profit, such models can provide reliable advice, so long as the agents involved approximate rational behavior, that is, maximize utility.

The academic study of religions, however, purports to be descriptive and explanatory rather than normative. It concerns itself with how religious people actually behave. To what extent can we account for religious behavior with models that employ only a single procedural rule, "maximize utility"? At least two considerations suggest that this rule is insufficient. First, behavioral economists have demonstrated that human beings routinely make sub-optimal

choices compared with a rational-choice analysis of maximal utility (Kahneman and Tversky 2000; Thaler 1992). That recognition informs, for example, government programs to encourage retirement savings, because left to their own devices, people tend to save sub-optimally. Second, studies have shown that most people choose behavior that corresponds to norms of fairness in preference to behavior that maximizes utility and, further, that norms of fairness vary from culture to culture (Henrich et al. 2004). Both considerations suggest that economic models of religion will need a more complex procedural component than simply the maximization of material or symbolic profit. To date, however, very little work has been done in the study of religions that takes these considerations into account. For one example, see Alles (2004).

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