



Course Title: Economics of Religion
Course prefix and number: Rome 358
Professor: Fabio Padovano
Contact Hours: 32.5
Trinity Semester Credits: 1.0
Language of Instruction: English
Experiential Component (Y/N): No

COURSE DESCRIPTION

The course provides deeper understanding of religious phenomena, behaviors and institutions in contemporary societies. Economic tools of the analysis of human behavior are applied to explain individual behavior in religious contexts. Special attention will be devoted to phenomena that apparently defy the rational choice paradigm dominant in economic science, such as martyrdom. Attention will be also devoted to the impact of religious behaviors on economic performance, work ethic and market exchanges and institutions. The course provides an introduction to the methods offered by economic analysis for the study of religious phenomena.

LEARNING OUTCOMES AND COMPETENCES:

Upon successful completion of this course, students will be able to explain the nature of religious behavior of an individual and of religious institutions in the economic perspective. They will also be able to critically assess the appropriateness of economic methods for their study. Students also will be able to analyze the development of religious phenomena in time and space and their economic connections. Last but not least, they will also become familiar with concepts used in other social sciences studying religion.

COURSE FORMAT

The format of the course centers on short lectures and class discussion. Given the small class size, our meetings will be conducted as seminars.

PRE-REQUISITES

Trinity College Students Prerequisite: C+ or better in Economics 301. Visiting Students should have completed Intermediate Microeconomics

Completion of Econ 302 (Intermediate Macroeconomic Theory) is not necessary but will prove useful for some topics of the course.

REQUIREMENTS AND GRADING

Exams are aimed at 1) verifying students' progress in understanding the material discussed in class and/or proposed in the textbook and the readings and 2) encouraging them to organize what they have learned and express it in written form. To this end, 55% of the final grade will be the unweighted average of weekly tests, which require students to answer to a series of questions in the form of short essays; 35% of the final grade will be determined by a longer paper that each student will have to submit individually at the end of the course. 10% will be associated to class participation.

COURSE POLICY

Class participation is an essential feature of the course, and as such will be evaluated, in terms of attention, contribution to the discussion and the like. A "no screen" policy will be strictly enforced. Attendance to class is important also because no make-up tests will be offered. Intellectual dishonesty will not be tolerated, and will be sanctioned according to Trinity College's Student Integrity Contract.

TEXTBOOK

Stark, R. and Bainbridge, W. S. (2008) *A theory of religion*. New Brunswick Rutgers University Press,

COURSE CONTENTS:

Week 1) *Introduction, definition, methodology, and history of economics of religion; the secularization hypothesis and its problems*

L. R. Iannaccone (1998) Introduction to the Economics of Religion, *Journal of Economic Literature* 36: 1465–1496

S&B, ch 1, 2

Week 2) *Why are people religious? The religion household production theory and alternative explanations*

C. Azzi and R. G. Eherenberg (1975) Households' Allocation of Time and Church Attendance. *Journal of Political Economy* 81: 27-56

J. T. Durkin and A. M. Greleey (1991) A Model of Religious Choice under Uncertainty. *Rationality and Society* 3: 178-196.

S&B, Ch. 8

Week 3) *Religion, economy and society – the impact of religion on macroeconomic and macrosocial indicators, Max Weber and his critiques*

M. Paldam and E. Grundlach (2008) Two Views on Institutions and Development: The Grand Transition vs the Primacy of Institutions" *Kyklos* 61: 65–100

R. J. Barro and R. McCleary (2003). Religion and Economic Growth NBER Working Paper No. 9682

Week 4) *Religions and economic performance: does Islam lead to economic backwardness?*

T. Kuran (1997) Islam and Underdevelopment: An Old Puzzle Revisited. *Journal of Institutional and Theoretical Economics* 153: 41–71.

Week 5) *Religions and behavioral economics; Buddhism and the economic theory of the self, rational choice and Buddhism*

R. Wintrobe (2013) Adam Smith and the Buddha: Economic Logic and Zen Buddhist Logic Western, mimeo.

Week 6) *The supply side of religion – the organization of the Catholic Church*

R. B. Ekelund, R. F. Hébert, and R. D. Tollison (1996) *Sacred Trust: The Medieval Church as an Economic Firm*. New York, Oxford University Press.

E. J. Larson, and A. Raskovich, (1996) “You Shall Have No Other Gods Besides Me: A Legal–Economic Analysis of the Rise of Yahweh. *Journal of Institutional and Theoretical Economics* 152: 449–71.

Week 7) *Religious economic bans – the economic doctrine of the Church, the problem of the interest rate and its application to the financial sector*

R. B. Ekelund, R. F. Hébert, and R. D. Tollison (1989). An Economic Model of the Medieval Church: Usury as a Form of Rent Seeking” *Journal of Law, Economics and Organization* 5: 307–31.

Week 8) *Church and the state – the temporal power of the Church*

F. Padovano and R. Wintrobe (2013), *The Dictatorship of the Popes*, *Kyklos* 66:365-377

L. R. Iannaccone, R. Finke, and R. Stark (1997). *Deregulating Religion: The Economics of Church and State*. *Economic Inquiry* 35: 350–64.

Week 9) *New religious movements and sects*

L. R. Iannaccone (1991) *The Consequences of Religious Market Structure: Adam Smith and the Economics of Religion*. *Rationality & Society* 3: 156–77.

S&B, ch. 5-7

Week 10) *Religious extremisms - martyrdom as a paradox?*

R. Wintrobe (2006) *Extremism, Suicide Terror, and Authoritarianism*. *Public Choice* 128: 169-95.

L. R. Iannaccone (1992) *Sacrifice and Stigma: Reducing Free-Riding in Cults, Communes, and Other Collectives*. *Journal of Political Economy* 100:271–97.

Week 11) *The consequences of religious scandals*

Bottan, N. L., Perez-Truglia, R. (2015) *Losing my religion: The effects of religious scandals on religious participation and charitable giving*. *Journal of Public Economics* 129: 106-119

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FURTHER READINGS (especially useful for research papers)

R. McCleary (2010) *The Oxford Handbook of the Economics of Religion*. Cambridge, Harvard University Press

T. Kuran (2011) *The Long Divergence. How Islamic Laws Held Back the Middle East*. Cambridge, Cambridge University