

# **Religion and Economy**

*A study group of the*

*Center for the Study of Religion and Culture*

## **PROSPECTUS**

*Fall, 2004*

## **Statement of Purpose**

This study group will investigate the interplay between religion and economy, and their joint relationships with other important variables. Of special concern will be *poverty*, whose very existence is a challenge to both religious and economic doctrines. The intervening concepts of freedom, schooling, human rights, and corruption will be explored through the religion/economy lens, as will their impact on the process of economic development – the main tool by which economic poverty can be overcome.

The main objective of the study group is to enhance our mutual understanding of these issues, and to use our new understanding to contribute to the state of knowledge in this cross-disciplinary area and its related disciplines. A secondary goal is to expand educational opportunities for faculty and students in this area through the development of courses, seminars, and conferences. A third purpose is community outreach at multiple levels. A final aim is sustainability of the group through the pursuit of outside funding.

## **General Methodology**

We will pursue several interrelated research themes in the religion and economy group. All group members will participate in the first topic linking religion and economy at the conceptual level. This constitutes the background for the overall topic. The research products arising from this effort will be survey papers, annotated bibliographies, and other background materials for the group. Several specific core themes related to religion and economy will be investigated by thematic subgroups of members in parallel and in series. The output will be multidisciplinary research products written by two or more subgroup members and critiqued by the group as a whole. An additional form of output of the study group will be disciplinary research related to the above core themes, conducted by one or more group members and informed by the entire group. Products are expected to contribute directly to the individual's reputation within that discipline while enriching the corpus of works of the study group as a whole. We will establish an infrastructure to support the study group's research, educational, outreach and sustainability objectives, including a website, graduate student support, seminars, working paper series, and conference support.

## **Group Research Topics**

This section describes the research themes that will be addressed by the group and its thematic subgroups. We begin by reviewing the link between religion and economy and describing the general study all participants will engage in: understanding the differences and similarities of the perspectives of religion and economy. We then turn to a series of interrelated themes that will be investigated by subgroups of the study group. We envision three main study groups: *Religion and Economy* – concerned with the broad, conceptual links between religion and economy; *Expanding the Paradigm* – which investigates how including religion can fundamentally alter our view of socioeconomic

phenomena; *Poverty and Development* – which focuses on the implications of the religion/economy viewpoint for economic development and poverty alleviation.

**Background.** Traditional economic models emphasize an individualistic description of *homo economicus* as a rational, self-interested decision-maker who freely selects a best alternative from a feasible set. The actions of individual agents are coordinated and aggregated by the market structure; however, the driving force behind the market is the individual desire for greater personal satisfaction. The result is a remarkably powerful paradigm that provides economics with hypotheses that can be subjected to rigorous empirical testing. Mainstream economists are quite aware of the simplifications inherent in the underlying assumptions, but are often willing to forfeit the reality of assumptions in favor of tractability of the resulting models. There is no general presumption that an exclusive reliance on narrow self-interest is in any sense a preferable mode of behavior. Indeed, there have been many attempts to relax this unrealistic assumption in useful directions, while maintaining tractable economic models.<sup>1</sup> However, economics also has its “true believers” who are more interested in interpreting the paradigm and its associated assumptions as normative statements of what “ought to be” rather than descriptive statements of what “is.”

In contrast to the typically descriptive nature of economic analysis, much of religious thought is normative in nature: expressing an evaluation of what is good or right, rather than simply describing what is. The central paradigms focus on groups of individuals or communities rather than members in isolation. Individuals are led by faith to support the community and derive meaning through it and through a shared relationship with God. Selfish behavior, excessive freedom of choice, and even worldly rationality are seen as part of an imperfect human condition that can easily conflict with the behavior, choices and motivations that accompany an appropriate relationship with God.

**Contrasting approaches.** The perspectives of economics and religion are thus far apart in several fundamental ways. This suggests an answer to the question: Why do the respective practitioners of religion and economy so frequently talk at cross-purposes to one another? For example, the recent debate on whether globalism is ultimately a force for good or ill carries with it the respective jargon and implicit assumptions of the two schools of thought. Our first research theme carries this comparison to its logical conclusion – *to identify the central differences and similarities of the two perspectives*. The analysis will provide the conceptual background for the study group’s subsequent research. It will also have general utility as an educational guide for understanding current policy debates that arise from these distinctions.

**Religion as economy.** Jewish and Christian religious traditions contain a fundamental concern with economy.<sup>2</sup> The normative approach to religion and economy assumes that religion is constituted by a kind of attenuated political economy as in ancient Israel and

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<sup>1</sup> See for example the respective literatures on institutional economics and behavioral economics.

<sup>2</sup> M. Douglas Meeks, *God the Economist: The Doctrine of God and Political Economy* (Minneapolis: Fortress Press, 1980). See also Daly, H. E. and John B. Cobb. *For the Common Good : Redirecting the Economy toward Community, the Environment, and a Sustainable Future*. (Boston: Beacon Press, 1989).

classical Christianity. The normative approach to religion and economy assumes that religion is constituted by a kind of attenuated political economy as in ancient Israel and classical Christianity. “Economy” was at the center of these theological traditions up until the end of the 17<sup>th</sup> century. The *oikonomia tou theou* as accounted in the Hebrew and Christian scripture (especially in the Torah, the Prophets, and the teachings and actions of the Jesus community) shares many general characteristics of *oikonomia* as practiced in antiquity and summarized by Plato in *The Republic* and Aristotle in *The Politics*.<sup>3</sup> But this is not simply a matter of ethics for traditional Israel and Christianity. It is a theological matter: the knowledge of God is given in the accounting of an economy and relationship with God is constituted by the performances of an economy. The critical retrieval of the traditions of *oikonomia* and its partial practice in religious communities can fund a critical and constructive approach to the market system. The intent is not to overcome the market but to discern its proper place. *This research theme explores the theological roots of economy and how this can inform present day debates.*

***Economics as religion.*** One could argue that in contemporary society the primary impact of economics does not arise from its descriptive, scientific role, but rather from its normative role in setting policy objectives and framing the subsequent debate. In a sense, economics has become a kind of religion in itself with a constituent belief structure.

It is important to distinguish between the academic discipline of economics and the ideology of economics that has built up around it. The neoclassical paradigm has had a profound effect on our ability to explain and predict economic behavior at both the micro and macro levels. At the same time, in its normative application it has become a dominant ideology, providing an unquestioned moral basis for evaluating policy and individual behavior in an otherwise secular society. At one time communists were the most extreme ideologues in the economic arena; today their proselytizing role has been filled by free market fundamentalists. In this economics-as-religion worldview, “free” and “unfettered” markets are set up as the only “natural” state, with departures requiring substantial justification. Trade and globalization are good and proper, regardless of the magnitude of the uncompensated injury assumed by the poor and other marginalized groups.

*This theme examines the ways that economics resembles a religious belief system. One salient issue for this subgroup to engage is how the ideology of economics works in this globalized world and how its ethics have replaced those based on religious beliefs. Such a perspective adds to the broader discussion of poverty by addressing the ideology of the system that produces and sustains poverty around the world. The World Bank, for example, has been sharply criticized in recent years (and by established economists and insiders such as Joseph Stiglitz) for pursuing policies that respond to ideological demands*

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<sup>3</sup> In general *oikonomia* is characterized by an economy that: 1) is based in nature and therefore limited, embedded in community and therefore regulated by community 2) aimed at human livelihood and life with rather than on the land, 3) stores up for survival of the day, 4) takes desire for granted but disciplines it through the relationships of those in the household, 5) emphasizes local rather than long-distance markets, 6) resists artificial scarcity, 7) refuses to make land, labor, and money exhaustively commodities.

more than real-world circumstances. A critical examination of such ideology can move us toward more sustainable development solutions, and toward a broadly humanistic ethic to inform development policy.

***Expanding the economic paradigm.*** A key operating assumption of economic theory is that *homo economicus* is a rational, self-interested utility-maximizer. Yet real people have a multiplicity of motivations that do not easily fall within this central paradigm of self-interested utility maximization. An important area of research in economics explores how the key simplifying assumptions of the paradigm may be relaxed while preserving its usefulness – an area broadly known as behavioral economics. Religious beliefs and practices may be a fertile source of information upon which to draw in order to extend the traditional paradigm. Indeed, religion leads to relationships, norms and motivations that can impact economic behavior for entire groups of people in predictable ways. For example, person who desires a strong relationship with God may choose to act in ways that support this objective such as having fewer material goods. Alternatively, strong religious convictions may make a population less susceptible to corruption, lowering transaction costs and increasing the rate at which development can occur. *The theme studies the possible ways of including religion in behavioral economic models, and the subsequent implications for economic behavior and performance.*

***Individuals and communities.*** A recurring topic in our discussion has been a shift of focus from individual to group as we move from economic models to religious constructs. It would be interesting to explore how affiliation with a religious group impacts the identity, the relationships, and the social network of a person. To what extent is one's human and social capital (or in Sen's terminology, capabilities) augmented by being a part of a community of believers? How might having a personal relationship with God augment a person's capabilities and extended sense of control (Do not worry - God will provide)? How is globalization affecting the notion of community and identity: Who is our neighbor? Can the new information technologies expand our sense of community and alter our willingness to share? *This theme explores the implications of including community in economic models.*

***Income-Generating Strategies of the Poor.*** How do the poor cope with poverty? What role does religion or religious affiliation play? Are the coping strategies individualistic or community-based? The World Bank's *Voices of the Poor* reveals the poor to be active agents in addressing their condition, not merely inert subjects waiting for someone to help them. The poor and other socially marginal groups employ income-generating strategies (i.e., purposive courses of action take by individual and collective actors to improve their livelihoods) of various types. *This theme examine the differences in income-generating strategies use by different individuals and communities in order to shed light on the role of culture and religion in setting the actions of the poor and to arrive at a better understanding of the links between religion, economy, and poverty.*

The resulting research topic is one of economic sociology, which according to one authoritative source, is "the application of the frames of references, variables, and explanatory models of sociology to that complex of activities concerned with the

production, distribution, exchange, and consumption of scarce goods and services”<sup>4</sup>  
Three such coping strategies have received the greatest research attention in economic sociology:

- 1) individual accumulation of human capital (e.g. education), social capital (e.g. networks, “connections”), and cultural capital (e.g. “dress for success”);
- 2) entrepreneurialism; and
- 3) participation in labor movements and labor unions.

In the U.S., the first is probably the most prevalent strategy; the second is enacted by a minority of the labor force and is often associated with upwardly mobile, immigrant ethnic groups; the third is enacted by a small and declining proportion of the national labor force.

The vast majority of economic-sociological and institutional research has treated each of these strategies as separate decisions, and this has led to separate and vast research literatures on each of these income-generating strategies. What is more, despite the foundational place of the religion-economy nexus in the emergence of sociology, religion has been neglected in this contemporary research enterprise.<sup>5</sup> Rather, with the insights of anthropology, economics, political science, religious studies, and sociology, we treat these and any other income-generating strategies as historically and culturally available courses of action in a repertoire of overlapping strategic economic actions that are selected and enacted by market participants. From the perspective of contemporary economic sociology, descending especially from the pioneering work of Max Weber and, more recently, Karl Polanyi, the selection and effective enactment of income-generating strategies is inspired, shaped and constrained by the web of asymmetric societal relations (e.g. relations among ethnic-racial and religious groups, social classes, genders, etc.), formal and informal social networks, cultural norms, and religious values in which market transactions and economic action are embedded.<sup>6</sup>

There are two objectives:

- 1) to examine the impact of multiple factors (religion, culture, social structure, the state, law, power, economic opportunity structure, local community reception of new market participants, etc.) on variations over time and within and between groups—especially the poor and socially marginal—in the enactment of different income-generating strategies; and

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<sup>4</sup> See page 3 of Smelser, Neil, and Richard Swedberg. 1994. “The Sociological Perspective on the Economy.” Pp. 3-26 in Neil Smelser and Richard Swedberg, eds., *The Handbook of Economic Sociology*. Princeton: Princeton University Press and New York: Russell Sage Foundation; also, see Guillén, Mauro, Randall Collins, Paula England, and Marshall Meyer. 2002. “The Revival of Economic Sociology.” Pp. 1-32 in Mauro Guillén, Randall Collins, Paula England, and Marshall Meyer, eds., *The New Economic Sociology: Developments in an Emerging Field*. New York: Russell Sage Foundation.

<sup>5</sup> On sociological approaches to the relationship between religion and economy, see Wuthnow, Robert. 1994. “Religion and Economic Life.” Pp. 620-646 in Neil Smelser and Richard Swedberg, eds., *The Handbook of Economic Sociology*. Princeton: Princeton University Press and New York: Russell Sage Foundation.

<sup>6</sup> On contemporary economic sociology, see, for example, Smelser and Swedberg, 1994, and Guillén et al, 2002.

2) to examine the impact of income-generating strategies, and configurations of income-generating strategies, on economic livelihoods.

This provides new multi-disciplinary insights on two enduring scholarly themes. First, the selection and enactment of income-generating strategies is an important moment in the political formation of economic actors – influencing their economic interests and, therefore, their political orientations. Examining the influence of religion and other factors on the income-generating strategies used by poor and socially marginal groups, then, provides a window on the impact of religion and other factors on the political formation of these groups, as well as their possibilities for successfully pursuing socially transformative political goals. Second, this project illuminates how the social, religious, and cultural embeddedness of economic actions generates group disparities in livelihoods and life chances and thereby reproduces social inequality.

***Schooling, Markets and Social Cohesion.*** The discussion of religion and economy naturally leads to an analysis of the process by which a society or group transmits its values and skills to subsequent generations. Organized religion has had a tremendous impact on the development of schools and universities, worldwide. Education is a key component of economic achievement. It would be interesting to explore the religion/economy/schooling nexus in greater depth.

Education impacts well being in several different ways. Mainstream economic theory emphasizes the *skill acquisition* or *human capital formation* role of education, by which an individual's natural skills and abilities are developed and subsequently rewarded in the market place. Education is viewed as the great leveler, a key component of the “equal opportunity” underlying the ideal picture of the marketplace. Of course, this ideal is not fully realized in practice. The quality of available education varies across regions and the equalizing potential of education is further marginalized by private schools catering to the economically elite. Economic inequalities and persistent poverty are reflected in and perpetuated by the prevailing educational system. Any coherent development strategy must have an educational component to encourage and enable poor populations to improve their skills and their income-generating ability.

Educational institutions also instill group values in their populations. The *social cohesion* (*social capital* or *trust*) rationale for education is concerned with teaching the necessary moral lessons – the ‘the table manners’ – required for cohesion in that social institution. This is an entirely different purpose from skill acquisition described above, and is arguably the more potent rationale.<sup>7</sup> Religious schools have always had a central component of religious and moral training. Similarly, public schools were created in the 18<sup>th</sup> century to provide a common experience and a common sense of commitment to the wider good among its citizens. In the U.S. this typically meant a healthy dose of protestant religious training until the late 20<sup>th</sup> century, but now is confined to secular training in citizenship and morality. (It is interesting to note that the U.S. is the only industrial democracy that prohibits public monies from supporting sectarian schools.

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<sup>7</sup> See for example the related work located at <http://www.vanderbilt.edu/peabody/heyneinan>.

Indeed, in Europe public schooling is still commonly arranged through religiously affiliated school systems.) In Islamic regions, the Madrasas or “old schools” that were originally created to train clerics and religious leaders have transitioned into other purposes in response to changing conditions in their communities. Of course, greater social cohesion *within* one social group may not be an entirely good thing; in particular, it may well engender *less* tolerance for other groups. However, there is good evidence that for any particular group, social cohesion and trust produced through education (either secular or religious) lead to lower transaction costs and greater economic activity.<sup>8</sup>

There is a third purpose for education that is particularly important in the modern globalized economy, namely, providing education for *knowledge creation* or *innovation* – an aim which goes far beyond basic skill acquisition. Citizens in economically successful countries are expected to be creative economic agents both individually and collectively. Public schooling is expected to contribute to this competitive, market-based spirit. However, an environment conducive to greater creativity may not be consistent with the degree of conformity needed for social cohesion, or even with standardized, efficient training in the basics. There are likely to be interesting tradeoffs between the various aims of education.

Various cultural and religious influences can impact the level as well as the mix of educational outcomes. Schools and systems vary in the degree to which they are able to function. In some instances the performance is low because of faulty design or an intention to exclude some populations. In others, the performance of schools may be low because of a kind of rot from within. This is true, for example, for schools in the former Soviet Union in which admission and grades can be purchased; the main conduit for social cohesion has been sacrificed to private gain. *This theme views schooling and education as an important dimension where religion and economy meet.* Special attention will be paid to the interaction of education and social cohesion, on one hand, and education and corruption on the other.

***Poverty, inequality and well-being.*** Poverty presents the ultimate challenge to capitalism: if the system is so good, then why do millions here and billions worldwide suffer from extreme physical deprivation? It presents a similar challenge to the religious community: why are your good efforts so ineffective? At the same time, there is a question as to who is really poor. Indeed, one’s definition of poverty depends crucially on the “space” in which deprivation is evaluated, and the choice of space can be a central normative decision. For example, I can be absolutely income poor and yet have an adequate diet from a truck garden (as in Russia) or from my community in my time of need (hence “rich” in loving friends and kin). I may not be able to afford the Coke that is sold in my village, but enjoy the ability to interact on a daily basis with my neighbors and family. *The Voices of the Poor* demonstrates the riches of many of those who would normally be considered poor in terms of market-based measures of deprivation. *This theme explores how belief structures interact with the identification of one’s self as poor; with one’s motivations to climb out of poverty; and with one’s belief that such a move is*

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<sup>8</sup> See (give reference to institutional economics and other relevant sources.)

*feasible*. A particular belief structure might hold out hope for better things here on earth, thus motivating the poor person to work harder to improve his or her lot; yet raised expectations can lead to greater disappointment and frustration for those who are unsuccessful. Another system of beliefs might fatalistically accept the status quo as being the handiwork of God. Some beliefs structures may have associated with them a cyclical view of time while others have a linear view; and this may have consequences for a person's sense of agency. Religious traditions may have a differential impact on various groups in society. For example, it is clear that women and girls make up the majority of the world's poor. To what extent is the observed gender inequality in economic terms reflective of a broader differential treatment of women that is sanctioned by religious traditions?<sup>9</sup>

***Religion and development.*** There has recently been a great deal of interest in the impact of culture on development.<sup>10</sup> In many societies religion is a central defining aspect of culture. Hence a thorough accounting of how religions and belief structures aid or impede the process of development can inform the work of governments, international organizations, and NGO's. At the macro level, Nobel Prize winner Robert Barro recently wrote a paper on religiosity and economic growth.<sup>11</sup> At the regional level, there is a recent paper on how religion impacts the process of transition (from Soviet state to independent republic) in Central Asia.<sup>12</sup> Religious organizations have played and continue to play an important role in aid for international development. To what extent can important human development outcomes be attributable to the efforts of religious organizations? For example, the State of Kerala in India, which has a larger population than Canada, has made remarkable achievements in education, health, and other dimensions of human development. The role of Christian Missionaries in this success – particularly for education – is well documented.<sup>13</sup> *This theme explores the development implications of religion.*

## **Disciplinary Research Topics**

In addition to the above themes, there will be a number of discipline-based research efforts that will support the research mission of the study group. These are now described - identified by the particular core member who is proposing the research.

### ***Brooke Ackerly (Political Science)***

Universal human rights are under-theorized. Consequently the concept of human rights is an inadequate guide for public policy and for the study of the relationship of human rights practices to other public practices and processes such as economic development, democratization, and free trade. Because we do not have a clear and collective understanding of why human rights have legitimacy, their meaning and

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<sup>9</sup> On this latter point see [http://wbln0018.worldbank.org/eurvp/web.nsf/Pages/Paper+by+Johnsson-Latham/\\$File/LATHAM.PDF](http://wbln0018.worldbank.org/eurvp/web.nsf/Pages/Paper+by+Johnsson-Latham/$File/LATHAM.PDF).

<sup>10</sup> See for example the papers at <http://lnweb18.worldbank.org/essd/essd.nsf/Culture/home>.

<sup>11</sup> The paper can be found at <http://papers.nber.org/papers/W9682>.

<sup>12</sup> The paper is located at <http://src-h.slav.hokudai.ac.jp/sympo/97summer/jukes.html>.

<sup>13</sup> See for example the paper [http://www.macrosan.org/anl/jun03/pdf/Education\\_Kerala\\_Paper.pdf](http://www.macrosan.org/anl/jun03/pdf/Education_Kerala_Paper.pdf)

implications get negotiated simultaneously. In the US policy arena this means, for example, that INS officers, lawyers, and judges decide what “human rights” are while they decide whether to grant asylum to a particular immigrant. Or, in the study of democratization and human rights, “human rights” gets defined as political and civil rights which begs a range of theoretical and empirical problems including the ways in which these violations are measured, the propensity of those measures to understate women’s human rights violations, and the implications of not including social and economic human rights violations that are relevant to democratization processes. This project articulates a theory of universal human rights and applies it to important policy arenas in which cross-cultural and intra-cultural differences in moral and political arguments pose challenges to public policy – and to the meaning of human rights itself. I defend a theory of universal human rights that is empirically informed by gender analysis of human rights violations and a legitimate basis for criticism, both across and within states. For me the interesting questions are: Is there a theory of human rights that is a legitimate guide to social criticism within and across national and cultural boundaries? Recognizing that cultures are internally dynamic and that substantive values differ across cultures, what are the appropriate theoretical methods for divining a theory of human rights with universalizable application for social criticism? Can such normative insights be translated into the appropriate measures of human rights for guiding public policy and empirical studies of the relationship between processes of economic development or democracy and human rights?

### ***Chris Ahlin (Economics)***

Rule of law measures have recently been used with good effect to empirically explain economic outcomes, such as macroeconomic growth rates and the cost of capital. At the same time, some have emphasized the level of trust or honesty in society as a key determinant in economic performance, both of nations and of communities. These are broad issues that have received little theoretical attention in economics, especially the latter. There does exist a vast economic literature on the theory of contracts. Its limitation is that it typically presupposes costless enforcement of contracts. This is arguably too much of a shortcut in a developing country context. The proposed research would attempt to treat the enforcement of contracts endogenously, where some agents are delegated the role of enforcing contracts, and others are delegated the role of enforcing their contracts, and so on. The main question to be asked is, how important are trust and honesty in creating a system conducive to binding agreements? Are they unimportant as long as incentives can be designed correctly, or does the system reduce to unenforceability if there is not at least a critical amount of trust/honesty in the participants? More broadly, the research will examine theoretically whether rule of law and trust/honesty are complements or substitutes. The expected output will be one or two theoretical (or possibly empirical) economic papers examining this issue, targeted to be published in mainstream economics journals.

### ***Kathryn Anderson (Economics)***

My contribution would be a positive, rather than normative, evaluation of the poverty/inequality-religion relationship in the world economy. The goal would be to measure the strength of the impact of religion and religious activity on economic outcomes and to determine how economic outcomes influence the growth in religious activism. This project would motivate some of the more normative analyses that would develop out of this interdisciplinary project by providing the statistical “facts.” Three approaches could be used.

(1) The macroeconomic approach. The model would modify a Barro model of economic growth to address inequality and poverty – variables that are affected by changes in capital formation, labor and technology. The dependent variables of such an analysis would be poverty and inequality. Religious activity and other country level characteristics including political stability and openness of the economy can positively affect economic development. The goal of research is to quantify how religious activity has affected the level of poverty and the degree of internal inequality once one takes into other significant causes of these outcomes.

(2) Causality modeling. The model would be a Granger causality model of poverty/inequality and religious activity over time. The goal of the research would be to determine the direction of causality – does religious activity Granger-cause poverty/inequality or vice versa? Which causality is dominant over time and region?

(3) The microeconomic approach. A model of the determination of household poverty, income, and expenditures would be the basis of this analysis. We would examine how household characteristics including religion and ethnicity shape development of well-being. We would include case studies of regional development; explain through case study (review of the literature) the causes of spatial inequality

that we measure within countries and over time; link these regional differences to religious activity at the regional level. This will require an extensive review of the literature on religion and culture for each country studied.

***Dan Cornfield (Sociology)*** Individuals and families in the U.S. have used a variety of economic strategies for improving their livelihoods and attaining social status. These non-mutually exclusive strategies include self-employment, unionization, and wage and salary employment in the public and private sectors. During the late twentieth and early twenty-first centuries, self-employment has remained at a low level, unionization has declined, and public-sector employment has increased in the U.S. At the same time, immigration to the U.S., especially from Africa, Asia, and Latin America, has increased. According to the U.S. Census, the number of foreign-born residents in the U.S. more than tripled from about 9.6 million or 4.7% of the U.S. population in 1970 to 32.5 million or 11.3% of the U.S. population in 2002. In 2002, 52.2% of the foreign-born were born in Latin America and 25.5% were born in Asia. In 2002, foreign-born residents lived in all regions of the U.S., and were concentrated in the coastal East and West regions. Nonetheless, some 38.8% of the foreign-born resided in the “U.S. interior” Midwest and South regions. It is important to examine the economic strategies of immigrants and refugees in the U.S. interior for three reasons. First, globalization of the U.S. interior challenges local communities for whom immigration is new to develop the infra-structure of social services for accommodating immigrants and refugees. Second, globalization of the U.S. interior compels local communities to achieve a mutually beneficial incorporation and social integration of immigrants and refugees into the local community and economy. Third, the potential for revitalizing the sagging U.S. labor movement and unionization is great in the U.S. interior where demand for unionization has rapidly increased. My research program addresses a wide range of economic, social, political, and cultural factors that may influence the formation of economic strategies and inter-ethnic variations in these strategies among immigrants and refugees of the U.S. interior.

***Ted Fischer (Anthropology)***

Economics refers to both the academic discipline and to a widespread ideology. It is important to distinguish between these two aspects. The academic discipline is used to add scientific luster to the ideology, but the ideology does not limit itself to academic findings. Economics-as-ideology (or as religion) permeates public discourse on ethics and culture as well as politics and business. Economic metaphors permeate everyday speech (for example, “saving,” “spending,” and “investing” time and other intangibles). Such economic ideology fuels both domestic and foreign policy, subsuming the left and the right (from free-market fundamentalists to third-way liberals) to a set of assumptions taken as given, the natural state of things (about, for example, “undistorted” markets and “natural” equilibria). One salient issue for this seminar to engage is how the ideology of economics work in this globalized world and how its ethics have replaced those based on religious beliefs. Such a perspective adds to the broader discussion of poverty by addressing the ideology of the system that produces and sustain poverty around the world. The World Bank, for example, has been sharply criticized in recent years (and by established economists and insiders such as Joseph Stiglitz) for pursuing misguided policies that respond to ideological demands more than real-world circumstances. A critical examination of such ideology can move us toward more sustainable development solutions, and toward a broadly humanistic ethic to inform development policy. My own work in this seminar will look at economic attitudes in Guatemala, Germany, and the United States. Employing methods borrowed from experimental economics, I look specifically at how self-interests are variable conceived across cultures. I employ the rubric of “stakeholding” in my analysis; that is, the degree to which individuals see their own self-interests as intertwined with those of a larger collectivity (be it family, household, ethnic group, or nation). Stakeholding is key to the development of economically productive, politically stable societies, and by comparing experiences in these three countries I hope to uncover lessons for public policies that simultaneous promote economic growth and social justice.

***Steve Heyneman (Education)***

Stephen Heyneman began his interest in human capital as a Peace Corps Volunteer in sub-Saharan Africa 35 years ago. His dissertation at the University of Chicago under James S. Coleman was the first survey of primary school quality on the continent. For two decades he helped provide the research and design policy strategies on education for the World Bank. During the 1990s, he was in charge of the human development (education, health and social welfare) policies of the Bank in the 27 countries of Europe and Central Asia.

His experience in the former Soviet Union led him to explore the social cohesion rationales underpinning public investments in education, and the effectiveness of different education systems with respect to their social cohesion functions. Since joining the faculty at Vanderbilt in 2000, he has developed a new research interests in education and corruption. He teaches courses on education and economic development and on organizations and social cohesion. Under the Religion and Economy project he intends to work with colleagues on the committee to develop empirical indices of education's influence on social cohesion and education and corruption. He would also look forward to working with graduate students in applying those indices and to participating with other members of the committee in circulating cogent and compelling lessons to the development policy community in Washington and elsewhere.

## **Resources**

The main resource for the study group is of the talent, enthusiasm, curiosity and drive of the personnel involved. The main leadership for the group will be provided by the two principal investigators, Douglas Meeks of the Divinity School and James Foster of Economics and the Graduate Program in Economic Development; and a core group consisting of six additional faculty, namely, Brooke Ackerly of Political Science, Christian Ahlin of Economics, Kathryn Anderson of Economics and VIPPS, Dan Cornfield of Sociology and the Vanderbilt Institute for Public Policy Studies, Ted Fischer of Anthropology and the Center for Latin American and Iberian Studies, and Steve Heyneman of Leadership and Organizations in Peabody College. (Center?\*)

## **Principle Investigators**

Professor Meeks has made fundamental contributions to the theological understanding of economics. His work has shown how the central narrative from the Judeo/Christian tradition is one of economy, with the household - in either its traditional physical sense or its figurative, extended sense - at its core. He show how the economic notions of property, work, underlie much of scripture, and how the scriptural notions of stewardship, the "table", and gifting are essentially economic in nature. While most of his work is squarely at the theological end of the religion-economy connection, he has a deep understanding of the market system and the ethical underpinnings of contemporary economics. He frequently addresses contemporary economic problems in his writing. He also has an appreciation of other religious traditions and their own special links with the economic problem. His vast knowledge of this interdisciplinary topic and his substantial original contributions makes Professor Meeks uniquely qualified to lead the Religion and Economy study group.

Professor Foster has spent much of his career attempting to understand the economic notions of poverty, inequality, welfare and social justice. His work is primarily theoretical, and concentrates on the rigorous underpinnings of these concepts as well as their practical measurement. Professor Foster brings to the study group an extensive understanding of economics, its underlying ethical bases, and an appreciation of distribution (or "who gets what?") as the central contentious problem in economics – and one that receives much less discussion than questions of efficiency (or "is there waste?"). Professor Foster's interest in religion until now has not been explicitly represented in his academic work, although his selection of academic topics is a reflection of his personal beliefs. His interest in the interdisciplinary topic and his substantial writings in those

parts of economics central to the themes of the study group place Professor Foster in a strong position to for a leadership role.

### **Core group**

Professor Ackerly brings to the group a political science viewpoint with special emphases on human rights, gender issues, and democracy. She has practical experience in the field of microcredit and how it can be used to improve the conditions of the poor, having interned at the Grameen Bank in Bangladesh. Professor Ahlin brings to the group a development economist's keen interest in the institution of corruption, arguably the major barrier to development in much of the world. He also is an expert on finance and credit and has area experience in Kazakhstan. Professor Anderson has extensive experience in several areas of economics, namely, development, labor, health, and poverty. She is an expert on the Central Asian region, including Kazakhstan, and is particularly interested in the possible impact of religion on various economic outcomes. Dan Cornfield is a sociologist whose main interest lies in labor, employment, and workplace issues. He has an interest in political dimension and in the impact of ethnicity, race and gender on the workplace. He recently completed a major study of the immigrant population in Nashville. He also is on the steering committee of the new Jewish Studies program at Vanderbilt. Ted Fischer is a cultural anthropologist whose work has documented how globalization is affecting the indigenous population of Guatemala, including its effect on religious and economic practices. He has a keen interest in economics and religion as important cultural influences. He brings to the group a critical eye and a wealth of first hand information about poverty and marginalized groups in Latin America. Stephen Heyneman is Professor of International Education Policy who has extensive real world experience from a 24-year stint with the World Bank. He received his formal training in sociology, but his expertise now covers a broad array of economics-related topics in education and human development. He also has regional expertise in Central Asia and has a strong interest in corruption in education. He is particularly interested in the impact that education has on society and, more specifically, social cohesion.

### **Other Faculty Resources**

Many other researchers on campus interested in one or more aspects of the group's agenda, and in time we plan to expand the group to include their expertise as well. For example, Bart Victor is an Owen professor whose interests include the moral and social implications of new organizational structures; Bill Partridge, in Peabody College, has a keen interest in community development, having worked with the World Bank for many years as lead anthropologist; Ping Wang is Chair in Economics whose work in development and growth considers cultural and religious influences. In time, as the study group creates a brand name for itself in the Vanderbilt community, other faculty with similar interests will be brought on board.

### **Other Institutional Resources**

The theme of this study group intersects the agendas of several centers and programs on the Vanderbilt campus. We now discuss a few of the synergistic links that will be developed. First, we expect that as more study groups come on board the Center for the Study of Religion and Culture, there will be plenty of occasions to have interactions on topics of mutual interest. We believe that this “within center” communication will support our individual goals while helping to create a coherent identity for the Center itself. The Cal Turner Program for Moral Leadership is a natural ally in many dimensions, including organizing events involving the campus community and the community at large. The Graduate Program in Economic Development, and its Center for Research on Economic Development, has a number of affiliated professors and Master’s students working on themes described above; this is also true for the area studies programs on campus, including the Center for Latin American and Iberian Studies. In addition, GPED and CLAIS have a large group of alumni who might be helpful in making connections in the developing world. Likewise, the Vanderbilt Institute of Public Policy Studies is a possible partner in local and state studies involving economic development and other public policy topics.

### **Expected Outcomes**

The mission of the Center for the Study of Religion and Culture is to promote research at the intersection of religion and culture. The Study Group will focus on an important slice of this intersection pertaining to the economic life of people. The expected outcomes of the study group can be viewed from four perspectives: research, education, outreach and “inreach”.

### **Research Outcomes**

The most important outcome of the study group will be research and the generation of new knowledge. To set the stage for this process, we will meet regularly to study and discuss relevant literature and periodically we will invite area experts to present seminars and public lectures on their research. Members of the study group will prepare general background or survey papers to frame the subsequent research of the group. At the same time, multidisciplinary teams of faculty and graduate students from the study group will be pursuing specific lines of enquiry and preparing research articles. And individual members will write disciplinary articles of relevance to the study group’s theme. There will be a conference at the end of the first year that will bring together the study group and external experts to present the first year’s research output and to discuss future directions. The next two years will continue with the production of survey or general background papers, and multidisciplinary and disciplinary research.

To achieve the goals of the study group, we must have success in placing the research products in appropriate venues. The disciplinary-based research will be placed in respected, refereed journals, published in book form by respected academic presses, or otherwise find an outlet that would support the research career of the author in that discipline. This category of research output is expected to be firmly rooted in the author’s disciplinary tradition, but address a topic that is germane to the study group. It

will help to provide a discipline-based validation of the group's research topic while contributing to the research output of departments and schools on campus. Researchers generally have a great deal of choice in selecting among various research projects. To help influence that decision and to show a tangible appreciation for furthering institutional goals, the study group will provide authors with a small monetary payment upon receipt of acceptable disciplinary research to be placed in the group's web-based discussion paper series. (If the research product is in book form, an abstract and table of contents can substitute on line.) In addition, the author's work will be presented in the study group where the other members will provide extensive feedback to the author. We hope to support a total of eight projects of this type each year. Faculty at earlier stages of their career are especially encouraged to participate in studies of this sort.

The second category of research is the multidisciplinary project in which faculty from different traditions join together on a single project. It is clear that the proposed research topics can benefit in substantial ways from bringing a variety of perspective to bear. However, it may be less straightforward to find an outlet for multidisciplinary research projects. One strategy is to submit the joint output to a refereed journal or other venue that is based on the general research theme. Another is to prepare several individual papers derived from the original study, each of which is guided through a discipline-based journal by the author from that discipline. In any case, the expectation is that the research will be published in a high-profile venue that is appropriate to the topic of enquiry. Research of this type is central to the goals of the study group, but requires the researchers to assume greater uncertainty and risk (as they are going beyond the usual disciplinary boundaries) and somewhat greater transactions costs (as the project will require careful navigation between the disciplines); consequently the authors will receive a somewhat higher monetary payment for contributing such projects to the study group's web page. We hope to support a total of three multidisciplinary projects each year.

The final category is less a final product than an intermediate "public good" designed to support the other outcomes of the group. The background papers will summarize the existing literature on a central theme of the study group and suggest topics for future research. They will define the research identity of the group and at the same time they will create the context within which the projects of the study group can be envisioned and connected. They will also be useful as background information for subsequent grant proposals of the group. And they will be valuable as educational material in support of courses that arise from the study group. They will be posted on the web and will play an important role in introducing the external and internal academic communities to the study group and its research interests. Given the great currency of the study group's topics, the local and international religious communities will likely be interested in the background papers as well. They will be one important point of connection between the various communities we would like to reach. Although the authors will not necessarily be expected to publish the background papers in academic journals, publication in some accepted venue (e.g., in a volume or as a book of essays on religion and economy) will be pursued. The payback to the participating faculty members from this category of research is likely to be somewhat lower than the other two forms, and yet the impact of the background papers for the objectives of the study group will be large. Hence, the

incentive structure will provide an even larger monetary payment for authors contributing background pieces to be placed on the study group's website.

At the end of the first three years there will be a large conference bringing together external experts from academia, business and the religious communities, and the members of the study group and affiliated faculty at Vanderbilt. We plan to produce an edited volume based on the papers presented at the conference, with perhaps several of the better conference papers also going into a special issue of a journal related to the theme of the conference.

In addition to these research outcomes, the study group and center staff will create a website that will be a portal to the work of the group and will contain the working papers, background papers and other intermediate research outputs such as extensive bibliographies in each of the subject areas addressed by the study group. Links to related sites will be created and maintained. This will become a natural place for scholars and clergy (or laypeople) alike to come if they are interested in the intersection between religion and economy.

The study group will also pursue grants to support its research – and this may be taken as another form of intermediate research outcome. We have discussed our contacts with several potential granting agencies and foundations that might be interested in the work of the study group, including the Ford Foundation, the Templeton Foundation, the World Bank, the Russell Sage Foundation, the National Science Foundation, the Aga Khan Foundation, the National Institutes of Health, US Institute for Peace, USAID, the Lilly Foundation, the Luce Foundation, the Pew Trust, Church World Service, the Walmart Foundation, and the Soros Foundation.

### **Educational Outcomes**

The very fact that the members of the study group are expanding their knowledge base will have an impact on the educational resources at Vanderbilt and will enrich the courses they teach. It is expected that several graduate students will participate in the group discussions and on projects associated with the group. Working closely with a faculty member on a research project of mutual interest is a high-level form of education that can be transformative for the participating students. We will provide financial support to encourage graduate student participation in the study group and its projects. In addition, the various seminars and conferences will have an educational function in that they will allow students and faculty to study cutting edge research as presented by the experts themselves. This will have an indirect impact on related courses as faculty come into contact with new concepts that can be incorporated into existing courses. The background papers and other research outputs will clearly have an educational role, both external and internal to the Vanderbilt community. This is particularly important, as the religious community and the economics professionals rarely have common ground for discussions. Professors Foster and Meeks will likely develop a separate course to be cross-listed in Arts and Divinity based on these background papers and other research

from the study group. This, in turn, could provide the basis for a joint program between the Divinity School and the Graduate Program in Economic Development.

### **Outreach Outcomes**

The religious community wants to understand how it should view contemporary economic issues that are at the heart of its own outreach mission. Through its website, seminars, conferences, and the individual efforts of participating faculty, the study group will become a key source of information for a large constituency external to the university. This in turn will have a positive impact on subsequent development efforts of the Center and the University. Many of the research topics concern important policy issues that are of interest to the broader community. We hope that the study group will provide a natural link from the resources of the University to local, national and international communities who believe that the economic issues of poverty, development, education, and work have a religious dimension that should be explored. We also will initiate connections with other centers and organizations interested in the topic of religion and economy.

### **Inreach Outcomes**

Our study group will take great efforts to reach out to other faculty and students who may have interest in our efforts. One component of this strategy is to provide low cost ways for scholars to learn of the study group's work. We will put much of our output on the web along with other supporting material. There will be numerous seminars sponsored by the study group. To magnify the impact of a given speaker, and to obtain maximum institutional benefit, we will work with other centers, programs, and departments to identify speakers that would also be of special interest to those units, thus allowing a chance for interaction between the study group and the other units on campus. We will utilize center research assistants to find faculty outside the study group whose research interests are related to its topics and ensure that they are aware of the work being done. We hope to bring into the study group other faculty and students who can provide different perspectives on the topics being investigated.