

## Comments on the Economics of Religion

Derek Neal, University of Chicago

**I** speak on this panel as a consumer and not a producer of work in the economics of religion. Nonetheless, I hope that my participation on this panel proves to be beneficial for you and for me. My approach to this topic is quite different from that of several of the other panelists. When I think about the economics of religion, the first thought that comes to my mind is “this field needs better research.”

By better, I do not mean based on a different research paradigm or grounded in different epistemological assumptions. I mean that this field needs work that is done with greater care and diligence. I am not an expert on this field, but I have read or seen presentations of many different economics of religion papers over the years. Graduate students wrote some of these papers. Scholars with established publication records wrote others. However, in the vast majority of cases, the papers were not carefully crafted or precisely argued.

I realize that I have seen only a small portion of the growing literature on the economics of religion. I also realize that most papers presented at workshops and conferences have problems. And, I realize that even if my assessment of the current state of research on the economics of religion is correct, important progress in this area may yet be right around the corner.

Nonetheless, these comments are offered in a gathering of Christian academics, and my fixation on the quality of economic research on religion grows out of my frustration with another aspect of my life as a Christian who happens to be a scholar. While I realize that Christians do not have a monopoly on bad research and that bad research on the economics of religion and many other topics can be found among scholars from all different religious backgrounds, I often find it particularly hard to engage other Christian scholars in a serious discussion about our faith and the quality of our work.

I have been involved in numerous conversations and a few workshop panels over the years with other Christian academics who held strong views on the integration of faith and scholarship, and these exchanges usually left me wanting to pull my hair out. It seemed that I was constantly listening to people make proclamations about how a proper Christian worldview should specifically transform the paradigm for research, the research agenda, or the links between research and public policy in a given field. However, I never found the exegetical arguments for these grand new

paradigms to be even remotely persuasive, and I usually felt that scripture was being used as pretext for a pre-set agenda.

Further, I found these encounters all the more frustrating because I felt that no one was willing to talk about basic principles of Christian living that are more obviously grounded in scripture. I often thought about how the discussion would differ if I were attending a workshop or luncheon where Christian plumbers discussed integration of their faith and work. Would these plumbers launch into grand proclamations about the need for a Christian understanding of plumbing? Or would they discuss concrete examples of issues that scripture does directly address and that they encounter daily? My guess is that they would talk about honesty and how they deal with customers who may be ill-informed. My guess is that they would discuss the temptation to be less attentive to details when doing work for customers who do not offer the opportunity for repeat business. My guess is that they would spend significant time discussing how they treat their employees and co-workers.

However, Christian academics often seem completely uninterested in talking about how their faith informs the nuts and bolts aspects of their work. Topics like whether or not we actually do excellent, careful, and honest work or how we treat the graduate students who work for us seem too mundane for those who revel in these integration discussions. However, scripture has much to say about these issues.

I will leave the topic of how we treat our students to another time and place, but I will note that this topic may be infrequently discussed in gatherings like this, in part, because we would likely be so convicted by a serious discussion of this matter. With respect to our lives as scholars, I firmly believe that the most important biblical admonition for a Christian scholar is the clear prohibition against bearing false witness. Yet, this topic is rarely given serious attention in public discourse on faith and scholarship.

Economics is a social science that embraces a specific (but flexible) paradigm for research, which involves building and testing abstract models of human behavior. For those working within this paradigm, bearing false witness can take many forms. One can describe an economical model as providing predictions or insights concerning behavior in a particular market setting when in fact the model does not map into the setting in question at all. One can set up tests of a model's predictions that do not really differentiate the model from obvious alternative theories, or one can set up tests of a model that are, in truth, not informative because the data available to the author do not provide information about the variables that

## 12 FAITH & ECONOMICS

are the key driving factors in the model. And, all of these errors amount to bearing false witness, especially when the author of the paper writes that her work provides evidence in favor or against some hypothesis concerning human behavior even when this is simply not true.

The economics of religion is not the only field where scholars face the temptation to falsely promote their results as “important, path breaking, definitive, etc.” However, I focus on this issue today because I think the temptations facing both Christians and non-Christians who work in the economics of religion are particularly acute for at least two reasons.

First, those who study religion as social scientists encounter serious measurement problems. For example, I have often thought that one way to improve research on the economics of religion would be to model religious beliefs using the technology of matching models. Persons in such a model would encounter potential matches with various religious belief systems. Individuals would then choose to accept a given system and possibly invest in a deeper understanding of it, or they would reject a given system and invest in search for new matches. From this starting point, it might be possible to construct models of how beliefs spread in societies that differ in their openness or how belief systems evolve over the life cycle of individuals. Further, one might even be able to model how the distribution of adherents to various belief systems within a society affects social and economic outcomes in the society. However, it takes only a small amount of introspection to realize that the chore of measuring crucial variations in religious belief and assigning people to categories might be impossible.

Second, bearing false witness about the meaning and significance of one’s results may be a greater temptation when one feels a deep personal interest in the outcome of the research. I often return from workshops on the economics of education feeling that I need to take a long shower because it is an area where many of the researchers have taken very public positions on what the best education policies are and these researchers have a personal stake in how the results turn out. Given my Baptist upbringing and my exposure to some recent data sets that Robert Barro has collected, I fear that the combination of difficult measurement problems and researchers who feel they have something deeply personal at stake in the outcome of the regressions that they are running will generate a paper claiming that religious belief does enhance economic growth but only in societies where most Christians practice believers baptism by immersion!

This ridiculous scenario is offered, in part, as comic relief, but I hope it also makes a point. The danger for the Church in Larry Iannaccone’s vision of the economics of religion becoming a large field of research that

is populated—at least more than other areas of economics—by people of faith is that Christians involved in this enterprise may become a stumbling block because they become known as a group of people who do poor research, or worse, research that is intellectually dishonest.

I think the most important guard against this outcome is a healthy respect for the limits of social science. Although I am a social scientist and will go so far as to say that I am called to be one, I feel strongly that part of this calling is recognizing the limits of the talents and skills that I have developed over the years. As the economic study of religion grows, we may find that the tools of economics do not provide avenues for making real progress on some incredibly important questions. When economists working in this area encounter this situation, I contend that the proper response may well be to simply work on other questions. How well economists discern which questions are and are not well matched with their research skills will determine the extent to which the growth of the economic study of religion actually results in a better understanding of the world we live in or just a great deal of sophistry dressed up in the clothes of social science. ■