



On Religion Analysis Paradigm of “Economic Man”

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Abstract

Religion analysis paradigm of “economic man” takes “hypothesis of rational man” in the economics as the logical starting point, emphasizes that religion rationality is built on the calculation of cost and benefit, and elaborates proposition such as religious demand, religious supply, religion market and religious capital, further refuting “religion recession theory” in secularization theory. Although its argument foundation that self-interest equals to rationality is still controversial, such paradigm broadens the view of religion studies and provides a possible way of religion management, which deserves our further discussion.

Keywords: Economic man; Religion rationality; Secularization; De-secularization

Introduction

In the study of contemporary science of religion, criticism of the secularization theory by de-secularization theory has become the focus of the debate between the old and new paradigms of science of religion. Peter Berger, a representative figure of the secularization theory, argued that secularization meant such a course by which part of society and culture broke away from the control of religious institution and symbol.¹ Secularization is not only the secularization of politics, society and culture, but also that of ideology, which is rationalization of world images claimed by Max Weber. The secularization theory insists on the assumption that religion is bound to decay with the modernization of human society and on the derivative proposition such as separation of religion from politics and personalization of religion. As figures of de-secularization criticize, both the Iranian Revolution in Iran in 1979 and global religion wave brought by September 11 Attacks in 2001 confirm that secularization

theory seems to contradict with the whole religion landscape of contemporary world. In the end of 1990s, Berger publicly admitted that secularization theory constructed by him “was a mistake”. The hypothesis that we live in a secular world is wrong. Although exceptions could be made, religious fanaticism goes on in our world and some places are even worse. The present trend is desecularization.²

There is no doubt that thorough turn of Berger is praised by figures of de-secularization. In the argument of new and old paradigms, how can religion analysis paradigm of “economic man” as the alternative theory of old paradigm win all? Is it really irrefutable?

Religious Demand

Historically, religion analysis paradigm of “economic man” can be traced to rational assumption put forward

1 Peter L. Berger, *The Sacred Canopy: Elements of a Sociological Theory of Religion*, Shanghai People’s Publishing House, 1991, p. 128.

2 Peter L. Berger ed., *The Desecularization of the World, Resurgent Religion and World Politics*. Grand Rapids, Michigan: Ethics and Public Policy Center and Wm. B. Eerdmans Publishing Co. 1999, p.2.

by Adam Smith. It criticizes and overturns the standpoint proposed by old religion analysis paradigm that choice of religion belief is irrational, asserting that “religion behaviors of human being are generally founded on the basis of cost and benefit calculation and therefore rational behaviors”.³ In the meantime, it takes this as the logical starting point and proposes that “in some main elements, religion subsystem of any society is fully similar with secular economy subsystem in that both include supply and demand interaction between valuable products. Religion economy includes present and potential believer (demand) market, some organization (providers) seeking to serve this market and religious doctrine and practice (products) offered by different organization.”⁴ Unrelated with the process of modernization of human society, vicissitudes of religion mainly depend on the change of relation between supply and demand within religion market and on intensity of free competition in the market.

Analysis paradigm of old religion mainly focuses on irrational choice of religion behavior, asserting that it comes from childish ignorance and credulousness of human being. As the level of modern civilization of human society becomes higher, religious demand will gradually decrease and even disappear thoroughly. Therefore, belief religion, manifestation of psychopathic symptoms, is an abnormal demand based on helpless psychology and even abnormal psychology. Correspondingly, religion analysis paradigm of “economic man” introduces the notion of afterlife utility, focusing more on sociality of religion behavior rather than only on mentality of individual of religion believer. In the perspective of weighing and balancing interests by individual social behavior choice, it defines rationality as “one normally in some degree means that subject will weigh and balance the expected rewards and costs when making choices”.⁵ Rewards and costs are two elements constituting individual social behavior choice. The motive of people participating in religion activities can be divided to three aspects: the first is rescue motive of afterlife consumption; the second is consumption motive of acquiring immediate gratification in religion activities; the third is social pressure motive inflicted by surroundings. Thereinto, the first one is the most important. Within the limit of information and understanding, people always try to make rational choice, constrained by feasible choice and guided by their interests and hobbies.⁶ People always try to avoid paying the price as far as possible. Once they pay the price, they hope to have

relevant rewards, and what they want is much more than what they have. Regrettably, rewards as rare social resource is always in the state of scarcity and rareness, and distributed unfairly. Therefore, rewards that people have are less than expected in the absolute amount and then other people in the relative amount. When rewards are rare or cannot be got directly, people will have and accept the explanation that they get rewards in the faraway future or other somewhat unverifiable circumstance,⁷ which are otherworldly rewards. Such rewards can be proved credible only by religion, because rewards that are set come from a supernatural existence instead of real world.

Although religion is the only way to provide afterlife rewards, it can satisfy current demand of people in meaning, sense of belonging and safety and so on at the same time. Religion analysis paradigm of “economic man” doesn’t deny the current rewards got by experience circumstance, such as miracles, but asserts that otherworldly rewards are the most valuable of all religion rewards. Therefore, choice of religion by individuals and religion behavior in the future are not only influenced by outside objective circumstance, but constrained by specific schema of “knowing, feeling, intention, faith and action” of the subject personality formed in the process of socialization, especially from rational calculation of cost and benefit.

Religious Supply

Old Religion analysis paradigm, of which the core is secularization theory, tends to focus on presentation change of religious demand, while new religion analysis paradigm taking “economic man” as the logical starting point asserts that religion provision is the determinative factor. Therefore, some refer to new religion analysis paradigm as supply theory.

Corresponding to pluralism of religious demand, religious supply also shows diversity pattern. There are several faction in almost every religion. Adam Smith discussed that religion competition could lead to the appearance of active religion groups by observing the fact that small religious sect often got financial advantages, while traditional established church was prone to indulge in laziness, thus becoming declined. American professor Rodney Stark and Roger Fink further elucidate this thinking. They point out that all religion groups can be put in some points of tension axis between them and their social culture circumstance.⁸ Tension therein means degree of difference, separation and confrontation

3 Rodney Stark and Roger Fink, *Acts of Faith: Explaining the Human Side of Religion*, Renmin University of China Press, p. 69.

4 Ibid, p. 44.

5 Ibid, p. 104.

6 Ibid, p. 46.

7 Ibid, p. 108.

8 Ibid, p. 178.

between one religion group and outside world.⁹ When such degree is higher between one religion organization and surrounding secular world, its influence on individuals is more obvious in depth and breadth and the material, social and psychological price individuals pay for that organization membership is more expensive. Moreover, they point out that in religion organization there is a reciprocal relationship between price and rewarding values for members,¹⁰ which is directly proportional relationship. The secret that religion groups of high tension are so strong is that they can offer more rewarding values to members including otherworldly rewards of religion and emotional rewards of current society although the price to be paid is costly. Thus, religion groups always hope to establish and keep the state of high tension, and social members generally tend to join in religion groups of high tension. How to establish, keep and consolidate necessary state of high tension directly relates to the rise and fall of any religion groups and is group dynamics of universal religion groups. Since the state of high tension is so important, is it perfect that all religion organization keep the state of high tension?

By empirical investigation into the development of American religion organization, professor Rodney Stark and Roger Fink find out the fact is not so simple. On one hand, as the price and quality are two elements of exchange of normal commodities, people will balance and weigh the price and quality of religion “commodities” when choosing religion organization and making religion behaviors. Undoubtedly, there exists free-riders in religion organization. Really rational agents won't join in a group in pursuit of better purposes when they can still get interests from others' activities without being present.¹¹ Free-riders tend to choose religion organization of low tension and become audience for existence and development of religion organization of low tension. On the other hand, it's not easy to keep the state of high tension for any religion organization. Generally, grand churches are religion groups having relatively low tension with social environment while small ones are those having relatively high tension with social environment. Max Weber once argued that in principle only small churches can carry out strict standards on their members. However, high tension and rewards of small churches will constantly attract and accept new members to join in. As the scale of organization becomes larger, the proportion of free-riders becomes higher. Small churches at the stage of growth will face such development dilemma: unless individual numbers of a group are small or there are compelling or other special means

for individuals to act on common interests, there inevitably emerge more free-riders. The larger this group become, the less collective goods it could provide.¹² With the expansion of the scale of growth, there is the danger of degrading from high tension position to low one for small churches. Maintaining scale growth and avoiding position degrading will be the dilemma small churches always face. Certainly, it is possible that grand church of low tension is differentiated into small church or sect of high tension, that is low tension position partly upgrades to high tension position. But this partly position upgrade for the time being cannot avoid the dilemma of development in the growth for the future.

Although inevitable position change of sects is a dilemma, it's more difficult to measure and evaluate religious supply. Religion commodities are different from the general ones in that it's hard to delineate a clear line between religion supply and religion consumption. When religious supply and religious consumption cannot be measured independently, it's possible that religious supply and religious consumption rise and decline at the same pace. It's really hard to make sure whether religious supply provokes religious consumption or vice versa. To avoid potential tautology, religion analysis paradigm of “economic man” introduces religion competition to illustrate the question of religious supply. Religion competition is a very important independent variable in religion analysis paradigm of “economic man”, including related function such as part-time religion, market share of religion and loyalty of religion members and so on. Therein, the common measurement of weighing religion competition is part-time religion, which can measure the number of religion groups in an area and evaluate the average size of these group scales. When specific religion groups face challenges from other religion groups, religion competition can urge religion groups especially their leaders to work harder and satisfy demands of follower or “customer” in a more innovative way, thus improving the quality of religious supply and enlarging the scale of religious consumption. In this sense, religion competition is the internal element of facilitating flow of religious supply and external motivation of activating number and quality of religious supply.

Religion Market

Maintaining of any market needs persistent existence of demand and supply, and on-going of exchange. In religion activities, all these elements have existed. If the mark of new paradigm is to emphasize the sociality of religion, its most innovative theory feature is to recognize religion as a

9 Ibid, p. 178.

10 Ibid, p. 181.

11 Michael Hechter ed. *Principles of Group Solidarity*. Berkeley and Los Angeles: University of California Press. 1987, p.27.

12 Mancur Olson, *The Logic of Collective Action*. Cambridge, Mass.: Harvard University Press. 1965, p.34.

subsystem of social system, that is religion economy.¹³ In fact, religion market includes three elements, which are religion organization as providers of religion products, religion culture as religion products and religion follower (present and potential) as customer of religion products. These three aspects constitute demand and supply change mechanism of religion markets. Religion analysis paradigm of “economic man” argues that religion demand is very stable in the long term and there exist relatively stable market niches in religion demand of any society. Religion intensity fond of by social members differs and religion demand is also multi-position. Someone likes open-ended belief of low tension and low cost such as privileged class, while women, vulnerable people and ethnic minority tend to choose belief of high tension. In any institution, gentle and conservative follower constitutes the grandest audience in religion market, and extremely open and strict follower is always the minority. Meanwhile, if religion economy is unregulated and competitive, the general degree of religion involvement will be high. (Instead, a dominant company is lacking in efficiency to keep strong market efforts without competition. The result is the general degree of religion involvement will be low, and ordinary people minimize the religion cost and delay paying the price of religion).¹⁴

Religion analysis paradigm of “economic man” argues that the development of religion market with regulation and intervention is incomplete and defective, because this religion market is bound to produce lazy religion supplier and ineffective religion products, thus lowering the level of religion consumption of the whole society. On this basis, some scholars bravely see the church as corporation organization, asserting that Catholic Church in Middle Ages of Europe was actually a monopoly corporation manipulating the doctrine, shutting out competitors, and engaging in various forms of price discrimination. Such monopoly encouraged new competitors to enter the religion market, which makes the rise of Protestant church.¹⁵ Surely, religion market is different from the common commodity market. Customers usually assess the utility of the same or different products based on their own preference, and this assessment will be visualized in the form of physical price. But the core of all religion is belief which is very subjective. This also makes the religion market very hard to be reflected in the objective price form.¹⁶ This may explain the reason why one man

can join in one religion and even activities of one sect for his whole life, but cannot use the commodity of the same brand for lifelong. However, religion market is the same as the commodity market in that there exists “ceiling effects”, which means when a specific point is exceeded, the market becomes saturated and more competition and diversity cannot increase the general degree of religion involvement of the society.

Religious Capital

Similar to economic capital in the market, religion analysis paradigm of “economic man” constructs the notion of religious capital. The so-called religious capital refers to skills and experience related with specific religion, which are owned by religion follower. They include religious knowledge, familiarity with church ritual and doctrine, and friendship network with religion companion.¹⁷ Religious capital highlights the degree of understanding and related attachment of specific religious culture by believers. Some scholars investigate the concrete operation of religious capital in the aspect of micro-family, meso-organization and macro-state. First, with other conditions being the same, children socialized by specific religion tradition have the same religion tradition in their lives. The transition means investing more extra time to get the same degree of satisfaction from other religion. In the initial stage of socialization, the investment in personal religious capital will go on and influence later religion behaviors. Second, in the aspect of religion organization, missionaries, religious prophets, religious leaders, leaders of inquisition, or political leaders need to spend more time and energy to change relative size of religion groups in the society. Finally, in the macro-aspect, law, regulation, policies and values related with religion in the state and non-state institution are also stable, unless interested party is willing to invest energy, time and political capital to change them, which means once religious capital, is formed, its change will be slow and face many resistance. The inertia of this religious capital is partly due to the fact that people focus on their own and others’ experience when children are socialized and new organization is established. Meanwhile, it can be due to the fact that many people especially power-holders in the society invest many capital to maintain the status-quo, thus they will use the resource they have to oppose to change.¹⁸

13 Rodney Stark and Roger Fink, *Acts of Faith: Explaining the Human Side of Religion*, Renmin University of China Press, p. 43.

14 Ibid, p. 247.

15 Ekelund, Robert B.; Hebert, Robert; Tollison, Robert D. *An Economic Analysis of the Protestant Reformation*. Journal of Political Economy. 2002, vol. 110, no.3.

16 Stark, Rodney. *An Economics of Religion*. In *Blackwell Companion to the Study of Religion*, edited by Robert A. Segal. Oxford: Blackwell. 2005, pp.47-

48.

17 Verter, B. *Spiritual Capital: Theorizing Religion with Bourdieu Against Bourdieu*. Sociological Theory. 2003, vol. 21, no.2.

18 Daniel Olsen, *The Applicability to China of Theory Explanation of Religion Difference of All Countries*, in Gao Shining and Yang Fenggang eds. *From Study to Field: Proceedings of the Religious Social Science Summit*, China Social Science Press, 2010, pp. 64-65.

In addition, religious capital is not an internal system independently operating and closed cycling. It often joins in the operation of economic capital in the market activities, and even decides the operation way, operation scale and operation trends of other capital. Some results of survey show that entrepreneurs with religion belief are more willing to do business with those having the same religion belief. Even in these corporation, religion doctrine is more restrained than law and regulation.

Evaluation of Religion Analysis Paradigm of “Economic Man”

“Economic man” belongs to the scope of economic discourse system. When it’s introduced to the study of science of religion, all kinds of criticism come out. Rodney Stark, the representative figure of religion analysis paradigm of “economic man”, said that when the word “religion economy” was introduced in the beginning, some social scientists felt being offended and the concept was taunted that competition could consolidate religion.¹⁹ Some people even assert that “economy imperialism” and its rational choice hypothesis finally occupy the last realm of theology. In my view, there is no need for these opinions. As the most advanced and rational economic model in human society so far, market-oriented economy has been proved by practice to be the most efficient. In the Communist Manifesto, Marx mentioned that one hundred or so years of industrial revolution created far more material wealth than all previous civilization of human society. He actually affirms the superiority of market-oriented economy which is a new economic model and creates huge efficiency. When the religion was born, it had close relationship with economic interests appeal of people. In the contemporary world where market-oriented economy is regarded as institutionalized, regularized and global economy, religion activities are inevitably influenced by it. Religion analysis paradigm of “economic man” just systematically states the religion facts people have neglected, ignored, and even purposely covered for the long time, urging the study of science of religion to return to real world. Market-oriented economy provides superior mechanism of economic activities for freedom and equality demand and free competition by economic agents. Relatively effective and reasonable resource allocation can be achieved by market-oriented economic mechanism (price mechanism, equalization of profit mechanism and supply and demand mechanism and so on), which develops and mobilizes the innovative resource and social potential of modern social and economic activities to the utmost extent. Influenced by macro impacts of market-oriented economy,

19 Rodney Stark and Roger Fink, *Acts of Faith: Explaining the Human Side of Religion*, Renmin University of China Press, p. 269.

religion choices and activities by people show the internal regularity of market-oriented economy. We can get this argument from comparison of empirical survey data between the prosperity of American free competition of religion and decline of European churches controlled by government.²⁰ Religion analysis paradigm of “economic man” describes and analyzes religion phenomenon by use of economic term such as supply and demand relationship, market structure and consumer preference. Although these description and analysis are figurative retelling of known facts in some degree, they can help people think about common sense questions of how to return to the law of development of the religion itself in a more macroeconomic view. In this aspect, religion analysis paradigm of “economic man” has profound meaning.

Religion analysis paradigm of “economic man” takes “hypothesis of rational man” in the economics as the starting logical point, emphasizing choice of any religion behaviors is based on the calculation of costs and interests and the final result of rationality, criticizing the old analysis paradigm arguing religion belief is irrational. In this sense, self-interest equals to rationality. This actually relates with the famous “Adam Smith problem”, which refers to conflicts of theme opinions of the Theory of Moral Sentiments and an Inquiry into the Nature and Causes of the Wealth of Nations, two magnum opus written by Adam Smith who was the famous British moral philosopher and economist in the 18th century. In the Theory of Moral Sentiments, based on the hypothesis that human is naturally kind, Smith sees altruistic sentiment from human’s sympathy as universal foundation and motivation of human’s moral behaviors; while in an Inquiry into the Nature and Causes of the Wealth of Nations, he takes it as assumptions of political economics that human nature is evil, and regards the pursuit of interests of individual egoism as the basic motivation of human economic behaviors. Therefore, altruism based on that human is naturally kind and egoism based on that human nature is evil co-exist in Smith’s theory paradoxically and strangely. Religion analysis paradigm of “economic man” selects opinions from an Inquiry into the Nature and Causes of the Wealth of Nations in order to verify rationality of religion. Rationality of religion originating from human self-interest coincides with theory of original sin in the context of Christian belief, which may be one of reasons why religion analysis paradigm of “economic man” is rewarded and respected in Europe.

The question we need to ask is whether rationality can

20 Detailed data can be referred to in Finke, Roger. *The Churching of America, 1776-1990: Winners and Losers in Our Religious Economy*. New Brunswick, NJ: Rutgers University Press, 1992. and Stark, Rodney & Laurence Iannaccone. *A Supply-side Reinterpretation of the Secularization of Europe*. Journal for the Scientific Study of Religion. 1994, no.33.

be reduced to self-interest. The reason why rational decision theory in the economics is in the mainstream for a long time is that self-interest is the significant form of economic activities and the proposition that self-interest equals to rationality is systematically demonstrated in an extensive way by consistence of preference choice. "Man" in "economic man" refers to agents purely pursuing self-interest, and "economic" emphasizes the complete master of information by agents when making decisions and the maximization of utility in the premise of accurately calculating decision results. Religion analysis paradigm of "economic man" continues and develops such core opinion. In religion analysis paradigm of "economic man", other existence and even supernatural existence in the earth are contextualized and instrumentalized, and regarded as methods of achieving its own purpose, without any agency instrumentalized self and the other have. The question therein is that this paradigm completely or one-sidedly emphasizes self-interest ignoring motivation of action such as altruism and reciprocity. According to the logical deduction of "economic man", the final expectation of pursuing self-interest is the maximization of utility. But in reality, "economic man" cannot usually achieve such maximization, and even the loss of utility. We need to broaden the boundary of "rationality" from many elements such as choice motivation, preference multiplicity and utility, and cannot just take the pursuit of self-interest as the only criterion of rationality of human action. This point can be also applied to religion analysis paradigm of "economic man". After all, human is not purely economic animal. No matter how selfish people think someone is, there obviously exists some nature in this man's talents which makes him care for the fate of others and regard others' happiness as his own business, although he can get nothing except for feeling happy when seeing other's happy life. This nature is pity or sympathy, which exists when we see or realistically imagine misfortune of others.²¹ This is another proposition when Adam Smith points out the rationality of self-interest. Regrettably, it's often ignored by people. Social action of people may be related with subjective calculation of self-interest, but can't do with comprehensive elements such as habitus, field and agency. That is to say, religion behavior of people may be related with interest demand and at the same time contain many reasons in aspects of culture, ethic, intelligence, aesthetic or emotion. There is convenience of statement of theory to explain religion rationality by use of calculation of cost and interest in the economics, but it is an important question whether complex religion behavior of human being can be so simple, even in the same sect group.

Although religion analysis paradigm of "economic man" has such argument disadvantage, we need to deliberate its

"connotation". It takes "economic man" as its logical starting point, demonstrates religion rationality and refutes "religion recession theory" in the secularization theory. It's hard to conclude whether the new paradigm or the old one is better, but it's an indisputable fact that religion phenomenon becomes more complicated. After the collapse of the former Soviet Union and tremendous change to East Europe, there is the sharp contrast between ongoing decline of influence of Christian in west Europe and increasing prosperity of Russian Orthodox Eastern Church and Christian in East Europe. After the October Revolution, the Soviet almost eliminated activities and influence of Orthodox Eastern Church. But after the collapse, Orthodox Eastern Church comes back to be the mainstream ideology of Russia in an overnight, and there is an equal mark between believing Orthodox Eastern Church and loving Russia. This phenomenon reminds us that we need to necessarily reflect on traditional single linear historical view of evolution. In modern society, when people get freedom, they lose the asylum of traditional normative values. This is existential anxiety increasingly strengthened by self-reflection in the condition of high modernity so-called by Giddens. Modernity destroys all old certainty and uncertainty is a situation many people find hard to bear. Therefore, there is a ready market for any promise providing or upgrading definitive campaign (not just religion campaign).²² It can be foreseen that a few people will have kept resorting to transcendental world for seeking certainty of real world and answered some ultimate questions on this basis. That is to say, religion is not just remainders of tradition and optional supplement to weakness of modernity. It is the basic social element constructing modernity and being reconstructed by modernity.

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