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5. Comments on »Deregulating Religion: The Economics of Church and State« by Laurence R. Iannaccone, Roger Finke, and Rodney Stark

Wolfgang Jagodzinski

Whatever the merits of secularization theories may be, they suffer from at least two shortcomings. First, they contain exactly the type of historical laws which Popper (1960) has convincingly criticized. And second, the United States do not fit the general law because they rank high on all indicators of rationalization and functional differentiation; therefore, they should display low levels of religious activities and beliefs which is obviously not the case. Regarding this, the *new economic approach of religion* (Iannaccone 1988; 1994; 1995a; Stark and Iannaccone 1994; Iannaccone et al. 1997) must appear as an convincing and attractive alternative to those who prefer deductive or nearly deductive theories. It does not share these weaknesses of secularization theories. It does not postulate a general trend of secularization but clearly states the conditions under which religiosity may decline: If the quality of religious supply deteriorates, religious participation will decline. Vice versa an improvement in supply will result in an increase in religious participation.

There have been methodological objections to the economic approach, too. Chaves (1995: 98), for instance, has argued that from principle of utility maximization alone one can derive nothing about »actual religious phenomena or behavior«. This is a somewhat ambiguous statement. If Chaves appeals to empirical facts, this is obviously true for all theories: We cannot derive facts from a theory alone but only from its empirical laws *and side conditions*. Perhaps Chaves wants to point out that the law of utility maximization *alone* has no empirical content. However, this again is not a peculiarity of the economic approach. Recent analyses of physical theories have shown that their fundamental laws alone are not testable. It is only the combination of fundamental laws, special laws, and restrict-

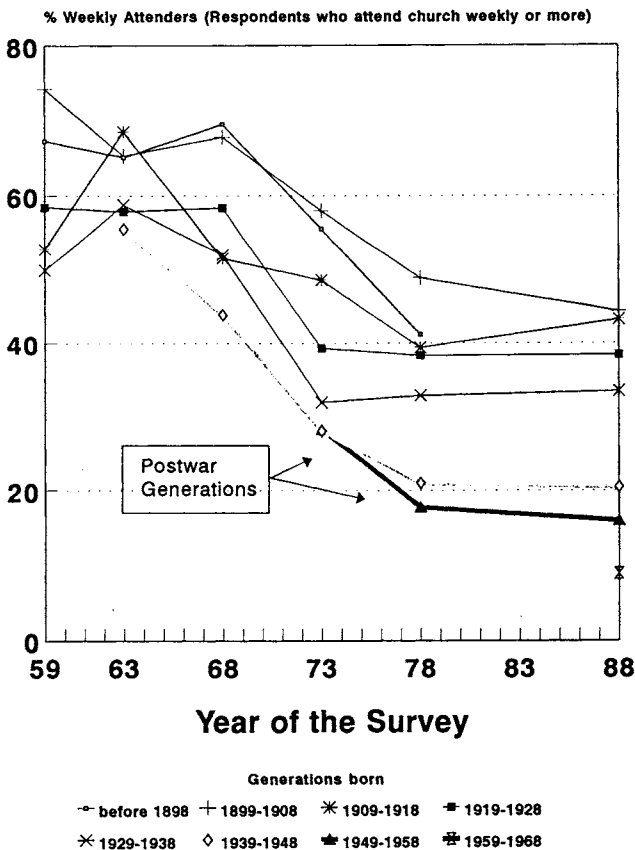
ons which can be subjected to an empirical test (cf. Balzer and Moulines 1996 with further references).

From my point of view, the main problems of the new approach have a different origin. Before we address some of them, a terminological remark seems to be necessary. Since the theory of Iannaccone, Stark, and others is frequently equated to *the* new economic approach, it is sometimes concluded that the economic approach *in general* and the theories of secularization exclude each other. However, this is not true. A theory of secularization could be developed within the economic framework by making basically two assumptions: The first is that religious goods are substitutes for economic goods, leisure products, etc., or vice versa. The second is a principle which guarantees the substitution of religion in the long run. For example, Luhmann (1977) infers from Gresham's law that inferior leisure activities will replace superior religious activities. A similar principle is introduced if religion is seen as a compensation for unsatisfied thisworldly needs as in the criticism of religion. Both assumptions can serve as the basis for an economic model of long-term religious decline. Thus, it is not the economic approach in general which contradicts secularization theories but the specific economic model of Iannaccone and others.

- 1) Accordingly, my modest criticism is not directed towards the specific theoretical models of these authors. The first point in some sense is a sixty-four-thousand dollar question: Is this new economic approach a macro-level theory or is it also a theory about micro-level behavior? At a first glance, there seems to be a straightforward answer. Since the economists of religion always talk about rational actors the theory applies to the micro-level as well. However, as soon as we would really try to test the theory at the micro-level we would run into serious difficulties. Rational actors in the new economic approach do not necessarily maximize their material benefits. Otherworldly benefits and costs are admitted (see Iannaccone 1995a: 82). Accordingly, the motives for religious participation will differ from one person to the next. While for some people social contacts, reputation, and all those other goals which are sometimes summarized under the heading of *extrinsic religion* will have the highest priority, others are driven by the wish for salvation, an everlasting life etc. As long as we do not know the utilities and the subjective probabilities which the actor assigns to the perceived outcomes of action we hardly can make any prediction at the individual level. Therefore, I suspect that the new economic approach carefully avoids to directly test the theory at the individual level. Rather, the principle of utility maximization is exclusively used for the derivation of *macro-level hypotheses*. This is an admissible strategy. However, as long as the individual-level rationality is not subjected to a *direct* empirical test the rational religious person remains as *fictitious* as the *homo oeconomicus* in macro economics.
- 2) Few researchers will dispute that pluralism and competition have an impact on religious participation. However, many will disagree on the relative impact of competition. I guess that most European sociologists will consider pluralism as a minor cause of religious change. Other factors are seen as more important. Stark et al. (1995) apparently do not deny the relevance of other independent variables. For example, they enter the urban/rural distinction and – as a proxy variable – Catholicism into their analysis of religious participation in Britain (Bruce 1993; 1995a; 1995b; see also Iannaccone 1995b;

Stark and Iannaccone 1995). However, as far as I can see, these other variables are not systematically integrated into the new economic approach nor is their relative impact – as compared to pluralism – discussed. I am afraid that pluralism alone cannot explain the often dramatic decline which occurred in Western Europe after the Second World War, in particular during the sixties and seventies. In order to illustrate this process, I have depicted the rapid decline of weekly church attendance in Catholic cohorts after 1960 in Germany. Several factors may have contributed to this process, in particular changes in the educational system, in mass media consumption, and in sexual morality (cf. Jagodzinski and Dobbelaere 1995). I do not see that changes in religious pluralism have influenced these developments.

Figure 1: Weekly Church attendance of Catholics in West Germany



(Results from German Election Studies and various other Surveys)

My second question to Laurence Iannaccone therefore is: Is religious participation affected by the deteriorating of religious supply alone or have other independent variables to be taken into account? And if the latter is true: Which other independent variables are the most important ones?

3) The last question is not new at all. It has been observed (cf. Chaves and Cann, 1992) that the new approach is better suited for Protestant and religiously mixed countries than for Catholic monopolies. In order to make this finding consistent with the theoretical assumptions it is argued that the internal competition or diversity in Catholicism is larger than in Protestantism (Iannaccone 1991). This at least is not obvious. Protestants will probably argue that the internal diversity in, say, Lutheranism is at least as large as in Catholicism. What we urgently need is a measure of internal diversity or internal competition which would allow to test the hypothesis. My question therefore is: Does such a measure already exist? Are there at least some broad idea how such a measure could be constructed?

No doubts, the new economic approach of religion is parsimonious, fruitful, and informative. However, like all new theoretical approaches it has still to remove several anomalies and to answer a number of open questions. I am pretty sure that Iannaccone will find a progressive solution to these problems.

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6. Between assimilation and separation. American Catholicism as a testcase

Michael Zöllner

In any European city you will find a cathedral in the historic center and after climbing a lot of stairs you will see how the modern living-quarters with their high-rise buildings surround the inner city like a belt. In an American city you will find an impressive skyscraper owned by an insurance company right in the center. After taking an elevator up to the platform you will see the city stretching to the horizons and nothing sticking out, except for churches, dozens of churches. In the inner districts these churches are showing very different features, reflecting the time they were built and the taste of the immigrants who built them. But beyond the inner city they become as uniform as the suburbs and the middle class they belong to. America is not only different it also contradicts the conventional wisdom of social science.

I will only mention two established opinions one of which is at odds with the American experience in general the other one more specifically with the American Catholic experience.

The first one of course is the theory of secularization in its most basic form, the expectation of a steady decline and final disappearance of religion. American history does not support this belief in the end of belief. In a culture which emphasizes sharing, joining and belonging the principle that everybody should belong to a religion had to prevail in the long run.

Anyway America became more religious in the course of her history not less and religion more and more became identified with middle class. 80 percent of all Americans belong to a church or a synagogue and however one might define middle-class the important difference to Europe is, that church members are close to the average in almost every respect. They are not the older, less educated, female inhabitants of economically backward rural regions, but resemble the white suburban population and Catholics even more so than Protestants. Therefore the least stable situation you can be born into is non – affiliate. More than 80 percent of Americans who were born without religious affiliation acquire one later on.