Religion, Conflict, and Cooperation

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Section 1: Introduction

Religion engenders conflict and cooperation. Defining religion is a prerequisite for pondering this paradox. Scholars define religion in several ways (Roberts 2004). Functional definitions focus on what religion does for adherents, such as providing a perspective from which to interpret the world, helping cope with life's trials, and addressing concerns about the purpose of life and eventuality of death. Substantive definitions focus on the essence of religious ideas, particularly beliefs about God, divinities, morals, judgment, and an afterlife. Economists who study religion (e.g. Iannaccone and Berman 2006)favor substantive definitions. In doing so, they rely on the rational choice school of sociologists who study religion (e.g. Stark and Finke 2000). For some in this group, an accepted definition of religion is beliefs, practices, interactions, and exchanges associated with supernatural powers. Though this definition has shortcomings, it allows the apparatus of economic analysis to illuminate connections between religion, cooperation, and conflict.

We begin this task by describing an economic approach for thinking about religion. Then, we review historical connections between religion and conflict. Next, we discuss religion and violence in modern times and how the economic approach to religion helps us to understand this relationship. Then, we turn to a discussion of non-violent conflict, such as judicial proceedings and political contests. Finally, we examine how, why, and when religion fosters cooperation, and end this article on a high note, by discussing good things that religion does. The last section discusses areas for future research.

Section II: Economics of Religion

Humans are continuously confronted by scarcity, and they are willing to use any means possible, including appeals to the supernatural, to achieve their objectives provided such means

are believed to be cost-effective. As long as an individual believes that supernatural appeals have sufficient likelihood of working, requesting supernatural intervention is just another way for her to achieve objectives given an environment with uncertainty. A person can petition supernatural beings in the pursuit of just about any scarce good. This holds for goods that are this-worldly (e.g., farmers praying for rain), as well as for goods that are other-worldly (e.g., dying octogenarians petitioning deities for salvation in the afterlife and entry into Heaven).

Economists often take preferences for goods as given. Pioneers in the economics of religion (e.g. Azzi and Ehrenberg 1975) employ this approach by positing desires for other-worldly goods (such as postmortem salvation). There is a lacuna in the literature concerning what people consider to be religious goods and services, why preferences for these goods and services arise, and links between spiritual and secular desires. A holy book, for example, is a physical object, like any book, but it provides religious benefits because individuals value its spiritual message, and perhaps, because it facilitates interaction with supernatural powers. Religious paraphernalia, such as garments, candlesticks, and stained-glass church windows, have real world uses, but association with the supernatural enhances their appeal. Another complication arises when religious organizations compete with secular providers of standard goods and services. Examples include social insurance, psychological counseling, marriage ceremonies, and funerals.

Given people's desire for religious goods and services, the appearance of specialists claiming ability to satisfy these desires is not surprising. These suppliers frequently operate within groups or institutions. A lesson that is important for understanding, among other things, the relationship between religion and conflict is that groups specializing in the provision of

religious goods and services often branch out to produce secular goods and services, and can be extremely effective when doing so.

We have now described both a demand and supply side of a religious market. This market resembles markets normally studied by economists. One similarity is that the legal system influences the nature of competition. Just as governments may grant privileges to particular firms, governments can grant privileges to certain religions while outlawing others. Restrictions on religious worship exist in many nations, such as China. Religious monopolies exist in other nations, and state sponsorship of religion is common but in varying degrees across countries such as England, Israel, Iran, and Saudi Arabia. It exists in democracies, such as England and Israel; theocracies, such as Iran; and monarchies, such as Saudi Arabia.[1] Religious monopoly was common in the past; the religious freedom experienced in many nations today is a recent phenomenon.

Barring restrictions that inhibit entry, religious markets often exhibit intense competition. The markets are contestable. Anyone proclaiming insight into the workings of a deity can set up shop. Religious preferences appear to be diverse, and may change as individuals age and with religious experience. Groups providing the goods and services that individuals desire thrive. Groups that do not do so decline.

But there are also limits to the extent of competition in religious markets. Religious groups produce similar but distinct goods, just as competing corporations produce Pepsi and Coke (and scores of other sodas). Product differentiation gives religious groups some market power. So do externalities and network effects that individuals might carry over from religious groups to other realms of their life.

[1] For information on religious freedom and religious market interventions around the world, see the Annual Report of the United States Commission on International Religious Freedom, available at www.uscirf.gov.

Religious markets have features that distinguish them from standard secular markets. Religious goods are often experience goods in that individuals have difficulty determining the utility that they will get from them before consumption. Religious goods may also be addictive. Experience with religion may increase the utility that individuals receive from them in the future. Many religious goods are credence goods because individuals have difficulty measuring their utility gain even after consumption. Examples include the benefits of prayers for divine intervention and the efficacy of aid that individuals will receive in the afterlife. Many religious goods are collectively produced club goods. A club good is non-rivalrous but excludable,; those who consume a club good must participate in the club that produces it. Examples include religious fervor generated by the enthusiasm of many people praying together, religious activities funded by contributions from many people, and religious rituals requiring large numbers of participants. . Religious groups are thus the suppliers of the collectively produced religious goods.

This last point plays a central role in the economic literature on religion. It is the focus of Iannaccone's (1992, 1994) stigma-screening theory. Any group, either religious or secular, attempting to collectively produce goods must overcome free-riding. One of the most effective methods to overcome free-riding is to identify free-riders and exclude them from consuming the good or service. This method involves monitoring individual behavior, and monitoring can be costly and difficult, especially for religious groups where many of the actions that contribute towards collective production occur in private or can be faked. Religious groups, particularly extreme sects, employ second-best solutions. One method is to screen members by making the benefits of group membership conditional on costly but publicly observable actions, such as spending many hours each day reading religious texts. Another method is to create a stigma that

marks the individual as distinct from the rest of the population and increases the cost of defection, such as eating particular foods and dressing in distinct clothing. By conditioning benefits on a behavior that is costly for the individual to undertake but easy for the group to observe, the group screens out those likely to free-ride.

This club theory of religious production yields two implications about the relationship between religion and conflict that we will revisit later in this chapter. First, a religious group often thrives when it draws a sharp distinction between itself and surrounding society. Though it comes at a cost, the tension that separates the group from the rest of society reduces free-riding within the group and fosters the production of collective goods. This tension can lead to conflict with outsiders, which in turn, can reinforce the group's ability to elicit contributions towards collective endeavors.

Second, because religious groups succeed in providing collective religious goods, they can also provide collective secular goods. The ability to overcome collective-action problems in one dimension, in other words, enables groups to foster cooperation in many dimensions. This general ability to foster collective action enables religious groups to successfully organize violence in some circumstances that secular groups cannot. In other circumstances, however, the ability to induce cooperation enables religious groups to reduce conflict.

This model of religion is, in our opinion, an important advance in our discipline. We acknowledge, however, that many scholars will not see any immediate need to provide theoretical underpinnings for the black box of religion. It might be sufficient to posit preferences for religious goods and move forward. This is an understandable approach, but it cannot provide a firm foundation for understanding the relationship between religion, cooperation, and conflict.

Before we delve deeper into these issues, we describe historical linkages between religion and conflict, both violent and otherwise.

Section III: History of Religion and Violent Conflict

Throughout recorded human history, religion and conflict have coincided. In the ancient Mediterranean world, wars often received sanction from religious authorities. Combatants conducted auguries before conflict and consulted with mystics and oracles, such as the seers at Delphi. Combatants prayed for divine support, motivated soldiers with spiritual slogans, and mobilized civilian support through religious rituals, particularly when competing civilizations clashed, such as the Greeks and the Persians.

The religions of the ancient Americas were particularly bloody. While records remain scarce, the Aztec, Mayan, and Incan civilizations undeniably sacrificed humans, sometimes on a tremendous scale. The writings of Spanish missionaries describe the sanguinary religions of ancient America in which human sacrifice played prominent roles in religious rituals. Mummified victims have been found at several sites in the Andes Mountains. Skeletal remains have been found at sites in Central America. Mayan monumental inscriptions report sacrifices of thousands of captives. Cities and ceremonial sites seemed to center on pyramids that elevated priests and victims toward the heavens and allowed people to witness ritual killings from a wide area around. The need to constantly capture sacrificial victims engendered incessant warfare among Central American polities. The ubiquity of religious violence served as both motivation and justification for Christian missionaries' destruction of these societies when Spain invaded the Americas during the sixteenth century.

Christianity is one of the monotheistic religions that arose in the Middle East. Modern religions of this genus trace their roots to the experiences of Abrahamic tribes recorded in the Torah and the Old Testament. These ancient texts describe the wars fought by the Hebrews to defend their lands and seize new territory. These conflicts included the Israelite conquest of Canaan from its indigenous inhabitants and wars in defense of Judea against the Philistines, Moabites, Edomites, Amalekites, and Assyrians. Leaders of Israel's armies such as Joshua, David, and Solomon became revered religious figures. The Israelites retained control of their lands – with several periods under foreign overlords – until Roman armies suppressed the Jewish revolt and destroyed Jerusalem around 70 A.D.

One of the Jewish sects that survived Jerusalem's destruction evolved into the Catholic Church, which spread throughout Rome and eventually dominated Europe. Like its progenitor, the Catholic Church experienced periods of turmoil and war. During the Middle Ages, the Catholic Church encouraged military expeditions against Muslims around the Mediterranean and pagans on the peripheries of Europe in an attempt to expand Christian civilization. Campaigns in Eastern Europe and Spain lasted from the eleventh through the fifteenth centuries. Campaigns attempting to regain control of the Holy Land extended from 1095 to 1291. The Papacy encouraged these crusades by promising spiritual and financial rewards to those who fought for Christian Europe.

Catholicism's external aggression ceased around the time that internal religious wars erupted. In the fifteenth century, the Catholic Church took an increasingly hard line on dissidents. The church branded would-be reformers as heretics and condemned them to burn at the stake. Examples include John Wycliffe of England and Jan Hus of Bohemia, whose

followers were known as Lollards and Hussites respectively. Campaigns against Lollards and Hussites lasted for decades.

The Reformation of the 1500s triggered conflict across the continent. The Catholic hierarchy condemned heretics en masse, and Protestants replied in kind. Religious wars erupted repeatedly. For more than a century, Catholics fought Protestants and Protestants fought each other, culminating in the Thirty Years' War (1618 to 1648), which devastated much of Germany, killing approximately 25% of the population.

Like Christianity, Islam's expansion involved military conquest and internal strife. Islam's principal prophet, Muhammad, initially preached to the people of Mecca. Some converted, but Meccan authorities persecuted the new faith. In 622, Muhammad and his followers moved to Medina, and during the next decade Muhammad unified the Arab tribes, conquered Mecca, and dominated the Arabian Peninsula. After Muhammad's death, the struggle for succession triggered civil wars. A residue of these struggles lingers today in the Sunni-Shiite schism. After settling succession, Islamic expansion continued, and one hundred years later, the Islamic Caliphate extended from Morocco and Spain in the east to Pakistan and Afghanistan in the west. Islam continued to have conflicts with neighboring civilizations for the next twelve centuries. Many of the conflicts – Crusades, Mongol invasion, and European colonization – involved Islam defending itself against foreign invasion.

Conflicts within and between religions continued in the twentieth century. Principal examples include communism's suppression of religion, the Holocaust, the Islamic struggle against the Soviets in Afghanistan, and recent war between Western Nations and Al-Qaeda. The communist attack on churches began with the writings of Karl Marx and Friedrich Engles, who opined that "religion was the opium of the masses." This slogan meant that religion distracted the

preponderance of the population from what really mattered: material wealth. In Russia, after the Bolsheviks seized power in 1917, the Communist Party seized churches' wealth, purged religious leaders, and prohibited religious practice. The assault eased only during the Second World War, when Stalin's government resurrected Russian institutions, like the Orthodox Church, to inspire Russians to fight for their homeland.

During the Second World War, Adolf Hitler planned to colonize Eastern Europe with German settlers, after enslaving or eradicating the indigenous populations. A large portion of these populations were Jewish, and Hitler's Nazi ideology was virulently anti-Semitic. The destruction of the Jews began soon after German armies occupied an area. Germany embarked on the "Final Solution of the Jewish Problem" in 1942, a plan that involved extermination of Jews using industrial methods, such as the gas chambers and crematoria at the concentration camp at Auschwitz. Approximately six million Jews died during this state-sponsored genocide.

The Second World War ended with Germany's defeat. The victors soon squabbled amongst themselves and divided into two hostile camps, one led by the United States and the other was led by the Soviet Union. The Soviets resumed efforts to eradicate religion. Communists suppressed religions institutions in almost all other nations that they conquered. Chinese communists, for example, confiscated almost all property owned by religious orders after they seized power in 1949. The communist government arrested and reeducated most religious leaders. State-run schools taught that religions were superstitions. Hostility towards religion continues to this day. In other nations confronting communist insurrections, such as Vietnam, communism's hostility towards religion provoked strong opposition from religious groups, particularly members of organized churches. In 1954, the United States emphasized its opposition to secular communism by adding to the Pledge of Allegiance the words "under God."

The clash between communism and religion played an important role in the Soviet-Afghan War that spanned the decade from 1979 to 1989. The initial Soviet invasion encountered little opposition and a communist government controlled Afghanistan, but they could not control the countryside, where insurgents opposed the government's campaign of radical modernization, including the suppression of traditional Islamic civil and marriage law. Opponents of Soviet occupation, known as the Mujahedeen, waged a guerrilla war, aided by resources and recruits received from other Muslim nations. After the Soviet Union withdrew its forces, a civil war broke out among the various factions of the Mujahedeen, as each sought political supremacy. Eventually, the radically-religious Taliban seized control of the country and imposed a strict interpretation of Islam on Afghanistan's population.

The Taliban allied themselves with militant Muslim organizations seeking to establish strict Islamic regimes in other regions of the world. This militant network, known as Al-Qaeda, staged terrorist attacks against targets throughout the world, including the attacks that destroyed the World Trade Center in New York on September 11, 2001. Al-Qaeda continues to attack targets of opportunity in first-world nations and third-world surrogates. A coalition led by the United States launched a counterattack against the Taliban and Al-Qaeda, pushing those organizations out of Afghanistan and into the mountains along the border with Pakistan. This campaign, in various guises, continues to the current day.'

This brief overview cannot, of course, discuss all of the conflicts in which religion played a part in the past or the present. Some of the excluded conflicts include the struggle between Byzantium and Islam, the Ottomans and Austro-Hungarians, the Catholics and Protestants in Ireland, and the Arabs and Israelis in the Middle East. Despite these exclusions, this overview

illustrates that religion has been associated with episodes of violence throughout history and during modern times.

Section IV: Explaining the Link Between Religion and Violent Conflict

Given the historical record, it is natural to ask why religion and conflict so often coincide. That political and religious power has been intertwined throughout most of world history yields an obvious connection. With religious and political power consolidated, political elites can use religion to promote violence as a means to achieve political goals, and religious figures can use military and political violence to promote religious agendas. Such an alignment of political and religious powers frequently occurred in the form of persons or official institutions. As acknowledged by North, Wallis, and Weingast (2009), "All of the earliest human civilizations were theocracies, governed by priest-politicians" (p. 39). The convergence between the political and religious can also occur in alliances in which ethnicity and religious affiliation coincide or in political party coalitions. Either way, the distinction between religion and politics becomes blurred, thus giving a religious dimension to state violence.

This union of religion and politics is commonly acknowledged, yet economists have not made fundamental contributions to this literature. If we can distinguish the demand for conflict from the supply of conflict, then we think it fair to say that economists have contributed more to our understanding of the supply side of the religion-conflict nexus. The effective production of violence requires a well-coordinated effort by many actors: manufacturers produce arms, strategists devise plans, tacticians put plans into operation, and foot soldiers put their lives in the line of fire. Clear lines of communication, trust in others' ability follow through on plans, and accepted authority figures will all facilitate this coordination. That these features are common to

many radical religious groups suggests the existence of supply-side links between religion and conflict.

For example, building on the club theory of religious groups mentioned in Section 2, Iannaccone and Berman (2005), Iannaccone (2006), and Berman (2009) explain that when governments are poor providers of social services, then strict religious groups can leverage their ability to produce collective goods for group members into the production of violence. The free-rider problem that strict religious groups are so good at solving is akin to the defection problem faced by terrorist organizations. A religious group that can produce club goods can use the same mechanisms to enforce the discipline necessary to institutionalize violence. Berman (2009) cites evidence that religious groups are more successful in their terrorist acts than secular organizations, and he attributes the finding to a religious organization's effectiveness in limiting defection. A clear contribution of this research is the identification of a specific mechanism that links religion and conflict, i.e., the organizational concern to limit free-riding and defection, thereby allowing for econometric testing of relationships and specific policy recommendations.

This work has close ties to more foundational work on the relationship between religion and conflict by evolutionary biologists and anthropologists. Two broad types of explanations have been proposed as explanations for the origins of religion (Steadman and Palmer 2008, Ch. 2). One can be called the *sociological* explanation which holds that religion fostered group success, including success in inter-group competition. If selection occurs at the level of a group, then any pattern of social behavior that fosters in-group cooperation or in-group pro-social behavior (discussed in more detail in Section V) in a manner that enhances success in inter-group conflicts will be evolutionarily selected (e.g., Wilson 2003). The work by economists mentioned earlier builds on the notion that a religious group's ability to foster in-group

cooperation allows for more success in producing violence, yet the evolutionists' claim is much stronger: religion and conflict can be linked at the more fundamental genetic and cultural level. If religious tendencies more conducive to success in inter-group conflict are selected, then selective pressures yield a religion-conflict co-evolution. Causality works in both directions: religion enhances the ability to engage in conflict, and conflict leads to the selection of those religious proclivities more conducive to inter-group conflict. The possibility of this reinforcing process may be one reason why we so often see religion and conflict coincide.

Still yet another reinforcement is found with the club model of religious groups. As stated earlier, clubs can use tension (of which violent conflict is an extreme manifestation) with out-group communities strategically to foster in-group cooperation. Once these reinforcing mechanisms are placed into evolutionary settings, it should not be surprising that religion and conflict are so often found together. Indeed, we would expect that some groups may actually position themselves to be in perpetual tension with their surrounding communities. Having an active opposition allows for the stigma-screening highlighted in the theory. This logic is best applied to very radical religious groups like Hamas rather than all religious groups. Conflicts between new religious groups and their surrounding communities may also fit this story. Economists can contribute to the fleshing out of these ideas more fully.

Another strand of evolutionary thought posits a *psychological* rather than sociological origin for religion. Beliefs in the supernatural or magic may have served an evolutionary purpose, such as generating confidence, reducing stress, of aiding interpretation of events (e.g., Boyer 2001). In this line of thinking, religious behavior and sentiments are tied to a wide range of emotions such as fear, anger, loneliness, and other frequently encountered emotions of life. The rise of behavioral economics (see Camerer 2003) that acknowledges the role of emotions in

economic decision making suggests another possible avenue for research on the religion-conflict connection. Experimental and theoretical work on the connection between religion and the emotions associated with conflict, punishment, cooperation, and enforcement is another area with many research possibilities. While recent experimental work is just beginning to explore the many possible facets (e.g., Heinrich 2010), it has focused more on the role of religion in enhancing cooperation rather than in fostering conflict. More work is warranted.

Section IV: Religion and Non-Violent Conflict

Violent religious conflict gets the headlines, but non-violent forms of religious conflict also abound. Such non-violent conflict is almost completely understudied by economists, yet it is an area where economists have much to contribute. We here focus on one particular arena of non-violent religious conflict: the courtroom.

In one sense, courts are institutions of conflict resolution. In another sense, they just replace violent conflict with a non-violent form of conflict behind which exists an ultimate threat of violence for non-compliance. It is this latter view that inspires our discussion because we contend that legal conflicts have certain characteristics common to violent conflict. Both forms of conflict involve the allocating of very costly resources to winning, and there is usually risk to both parties because the outcome is uncertain. See Garfinkel and Skaperdas (2007) and the essays in this volume for more on these and other properties of conflictual settings.

Religious individuals and groups may appear in court for various reasons, yet laws and court rulings that place boundaries on religious activities are of particular interest because we see these as innately conflictual. The religious person could be a plaintiff who challenges an existing law that forbids some religious activities or who accuses another religious or secular individual or group of causing harm. The religious person or group could also be the defendant accused of

violating the law. In either instance, one party is asserting a claim on valuable resources (money, property, human capital), including the right to use those resources according to her own religious preferences.

Generally speaking, we distinguish three broad types of church-state regimes under which religious disputes arise in courts. The first type consists of an official state religion or religions, where all other groups and their participants are granted few legal rights and privileges. Such states are fewer in number today than in other historical periods, yet they are still common. For example, courts in Saudi Arabia today enforce a strict Sunni version of Islamic law (called Sharia), and they routinely punish, with imprisonment, torture, or death, both non-Muslims and non-Sunni (Shi'a, Ismaili) Muslims (USCIRF 2009). The second type would be atheistic or anti-religious states wherein restrictions suppress all religious groups. Examples include Albania and the former Soviet Union. These are usually communist regimes and are much rarer in history than the first and third types. The third type occupies a large region between the first and second types, and members of this group are very common today. We might call these religiously-neutral states[2] because they have it as a matter of principle that, first, no religious group is privileged over another and, second, religious individuals and groups are free to act according to their religious dictates. The two aspects of this neutrality principle correspond, respectively, to the Establishment and Free Exercise Clauses of the First Amendment of the United States Constitution.

There is much variation in how religiously-neutral states operationalize the neutrality principle, and no state adheres to it perfectly, with some states placing greater restrictions on religion than others. For example, religion as a whole is promoted in the United States through

[2] These states are also called "secular states," though we prefer religiously-neutral states because the term more accurately reflects the guiding neutrality principle, and calling them secular states may incorrectly give the impression that the state is anti-religion.

tax laws that effectively subsidize churches of any denomination, while strictly observant Muslims in France are not allowed to wear headscarves in state schools or when working in the public sector. In general, even though certain religious rights may be formally acknowledged (e.g., the First Amendment to the United States Constitution or Article 18 of the United Nations Universal Declaration of Human Rights), these rights must compete against claims implied by other rights or asserted by powerful political constituencies, and violations of widely accepted human rights may result (Prud'homme 2010). This competition creates a role for courts to adjudicate in religious matters, and these court cases generally involve a dispute about Establishment or Free Exercise.

Research on the effects of religious regulations by economists and like-minded sociologists has focused largely on the impact of religious regulations on observed religiosity. A sample of empirical studies includes Finke and Stark (1992), Iannaccone, Fink, and Stark (1997), and Barro and McCleary (2006), who show that higher religiosity is highly correlated if not caused by deregulation of religious markets, and Gruber and Hungerman (2008), who show that repealing consumer restriction laws ("blue laws") led to declines in church attendance. Formal theoretical work on the topic is less common, though McBride (2008, 2010) provides two of the exceptions. There are different levels of depth to the logic, yet the underlying story is simple. Regulations change the opportunity costs of actions to both suppliers and consumers in the religious market. High costs for religious suppliers decrease supply, and high costs for consumers drive down demand. Religious markets are akin to other markets in that religious regulations affect market outcomes. In the extreme, such regulations can severely curtail many religious behaviors.

Although this literature establishes that regulations are effective tools for suppressing certain forms of religious behavior, it ignores the conflict side of regulations. Who determines the rules and restrictions? How are they enforced? How fairly do courts adjudicate, and when? How do the regulations evolve over time, and why? We propose that various fields within economics, such as the law and economics literature, the public choice literature, and the general conflict literature, can offer a fresh perspective on these questions.

Consider the last question about why many religious disputes are settled in court rather than out of court. Because going to court is costly and risky, there should be room for Pareto-improving out-of-court settlements. In standard thinking, reaching court is thus a type of bargaining failure. There is now a large literature in economics and political science on the causes of bargaining failure; see Fearon (1995) for a discussion of key issues. Most prominent among these explanations is that the one or both parties in the dispute miscalculate their relative strengths. Though such asymmetric information is present in many social interactions and likely relevant for many conflict scenarios, it is difficult to identify exactly when this form of incomplete information is a proximate cause of religious disputes reaching court. In fact, in many disputes, such as those against the state, it is likely that the strength and position of an adversary is well known. Moreover, once court proceedings occur, we might expect relative strengths to be revealed, thereby creating space for out-of-court settlements before rulings are made. Yet, courts are still used to resolve the disputes, so another explanation is warranted.

One newer and lesser-known explanation for conflict that has potential to yield insights into religious legal conflict is one put forward by McBride and Skaperdas (2007, 2009). A key condition they emphasize is that open conflict today changes the relative powers of the adversaries tomorrow. They argue that this dynamic is found in many conflictual settings,

including going to court. If the adversaries settle out of court today, then they may have to renegotiate tomorrow and into the future indefinitely, which can entail large transaction and other costs. Alternatively, if the adversaries go to court, then the one-time court decision may change future negotiations, even possibly settling the matter forever, because the court outcome has certain legitimacy that modifies the rules of the game by granting the winner clear rights. Going to court is thus costly today but may save resources in the future; it can be an optimal choice despite its cost and risk even in settings with complete information about relative strengths.

This logic can be applied to religious legal disputes in addition to secular ones. In fact, such strategic behavior appears at work in some religious court cases. The Jehovah's Witnesses, for example, have aggressively used the courts to challenge restrictions on their behavior. Dozens of cases involving Jehovah's Witnesses have been brought before the U.S. Supreme Court, and the group has won more than half of them.[3] Moreover, many of those victories are seminal ones in redefining the boundaries of the Free Exercise Clause of the First Amendment[4]. According to Henderson (2006), many of these cases were the result of a deliberate strategic choice by the Jehovah's Witnesses leadership to enhance the ability of the group to pursue its goals. From our perspective, this new economic theory of conflict lends an insight into a non-violent form of religious conflict.

Why economists have not contributed directly to our understanding of religious courtroom conflict is not clear. Information on religion related court rulings is available. In the USA, for example, the Supreme Court rulings on the Establishment and Free Exercise Clauses of

[3] According to Wikipedia entry "United States Supreme Court cases involving Jehovah's Witness rights," 72 cases involving Jehovah's witnesses have been reviewed by the Supreme Court, with the group winning 47.
[4] According to Hitchcock (2004: 43), "[T]hey [Jehovah's Witnesses] had a major impact on three important areas of constitutional law—refusal to obey an 'unjust' law, public proselytization, and conscientious objection to military service."

the First Amendment are easily accessible and well-studied by legal scholars, e.g., see Hitchcock (2004a, 2004b). Of course, most religion related cases do not reach the Supreme Court but are instead handled at local levels. Information about such rulings is accessible dating back to the 1980s,[5] and some of it has been studied by non-economists (e.g., Wybraniec and Finke 2001). Perhaps further work by economic and legal historians or other social scientists may have to lay the foundational work before other economists contribute to this understudied area of religious conflict.

Another area of work largely ignored by economists is the triadic connection between the regulation of religion, non-violent conflict, and violent conflict. Appealing to economic logic and arguments made by early thinkers such as Voltaire, David Hume, and Adam Smith, sociologists Grim and Finke (2011) contend that religious regulations foster both non-violent and violent conflict. In their logic, dominant political, economic, or religious groups use the regulatory environment to suppress minorities, including religious minorities. This legislation leads to an increase in non-violent conflict as religious minorities turn to the courts for protection. The regulations also increase the chances of violent conflict in the form of vigilante policing or other types of persecution. To support their claims, Grim and Finke show that countries with more restrictive religious regulations experience more religious persecution. The evidence is compelling and illuminates another channel that links religion and conflict. Additional work is needed to identify which of the theoretically possible causal forces are empirically salient.

There should be good fruit from all of the above work once economists take it seriously. It should improve our understanding of different forms of religious conflict. We also speculate

[5] See the *Religion Freedom Reporter*, which, from 1981-2002, published summaries of religion related court rulings around the United States and in some other countries. The *Religion Case Reporter* has provided similar information since 2003. Another helpful resource is ReligionClause.blogspot.com.

that there could be positive feedback concerning our understanding of religion as a whole. For example, according to the stigma-screening theory described earlier in Section III, the restrictions imposed on Jehovah's Witnesses should have placed a stigma on group members, and this stigma should improve the group's ability to screen out free-riders and produce religious club goods. But if this is true, why then did the Jehovah's Witnesses actively challenge these restrictions? Further work in this area may help us distinguish what a group identifies as bad stigma from what it identifies as good stigma.

Section V: Religion and Cooperation

The previous sections only touched on religion's role resolving conflicts and fostering cooperation. Because examples seem so abundant that an exhaustive treatise on the topic would be impossible, we provide here a brief discussion of illustrative examples and general patterns.

Religions emphasize rules that enable adherents to live in harmony with one another. Consider Judaism and Christianity. Both teach a set of edicts enshrined in a list commonly called the Ten Commandments. These Mosaic edicts include do not murder, do not commit adultery, do not steal, do not lie, do not bear false witness against thy neighbor, and do not covet thy neighbors' possessions. These rules allay causes of conflict within and between communities. Lust, envy, and jealousy often trigger arguments that can escalate out of control. Murder and theft often provoke retaliation. Sometimes, cycles of retaliation lasted for generations.

Religions encourage compliance with codes of conduct by promising rewards to members who obey the rules. Rewards often come in future states of the world (or future states of a promised afterlife) linked to actions today. Christian religions, for example, often promise individuals who lead exemplary lives entry into Heaven, while individuals who lead dissolute

lives fall into Purgatory or Hell, where they will be punished for sins that they commit in the past. Various strands of Islam make similar promises, as do many eastern faiths. Hinduism is the predominant indigenous religion on the Indian subcontinent. Hinduism is characterized by belief in reincarnation under the laws of karma, where the pleasure (or pain) that one experiences in the next life depends upon the way one acts in the present life. Those who treat others well receive a better life in the future. Those who treat others poorly suffer a worse life in the future.

Such beliefs facilitate the construction of complex social systems. Medieval guilds are an example (Richardson 2005, Richardson and McBride 2009). During the thirteenth century, mendicant friars spread a doctrine describing a path to salvation. All individuals who died would spend a period in Purgatory, where they would be purified of their sins in preparation for Heaven. The time that one spent in Purgatory and the pain that one experienced would depend upon how one had lived their life and upon how many people prayed for the salvation of the decedents' soul and the piety of those saying the prayers. This doctrine encouraged individuals to form associations, called chantries or fraternities, which prayed for the salvation of members' souls and monitored members behavior, to ensure that members acted as piously as possible, so that their prayers would be as effective as possible. Thousands of fraternities sprang up in Europe. Estimates based on surviving documents suggest that when the doctrine peaked in popularity, most adults in medieval England belonged to one of these associations (Richardson 2005a). Religious fraternities formed the foundation for cooperation throughout medieval Europe. In England, for example, almost all guilds involved in craft and commerce between the Black Death and the Reformation evolved from religious fraternities comprised of men in that craft. After developing mechanisms that ensured members cooperated to reach religious goals,

these organizations took on new missions and embarked on an array of social and industrial activities.

Christianity's role in medieval guilds illustrates ways in which religion indirectly induces cooperation. Religious institutions also play direct roles in conflict resolution and contract enforcement. Consider Christian courts in medieval Europe. These courts adjudicated a wide range of disputes, including those involving marriage, adultery, violence, and promises. Religious courts have little role in European society today, but remain prominent in many places, such as the Islamic world, where religious courts enforcing Islamic law (Sharia) adjudicate many (and in some places most) disputes.

Islam has a long history promoting tolerance and peace. After the Muslim conquests of the eight century, Arab armies established an Islamic empire stretching from Central Asia to the Iberian Peninsula. Within this region, peace reigned for several centuries. Travel and trade linked cultures and economies. Science and art flourished. Minorities freely practiced their own religions. Scholars label this period *Pax Islamica*.

A wide range of academic studies illuminate links between religious beliefs and cooperative behavior. Brooks (2006), for example, examines the Social Capital Community Benchmark Survey which documents charitable activity. In this cross section of American adults in the year 2000, religious individuals contributed time and money to charities at higher rates than their secular counterparts. These differences exist after controlling for observable characteristics of individuals, such as education, ethnicity, gender, residence, and political affiliation. These differences also hold for religious and secular causes. Religious individuals, in fact, are seven percent more likely than secular individuals to donate to and twenty percent more likely to volunteer for non-religious groups. Putman and Campbell (2010) use similar survey

data to determine whether religious individuals make good neighbors. They find that religious individuals make better neighbors by almost every index. Religious individuals are more active in civic and community organizations, more generous when donating time and money, more trustworthy, and possibly even happier.

Explanations for religious individuals' ‘better’ behavior are of several sorts. Some explanations emphasize differences between religious and secular individuals. For example, religious individuals tend to be more deeply embedded in their local communities, possessing larger social networks and more often interacting with neighbors. Religious individuals appear to be more altruistically oriented and more likely to trust and be trusted by individuals within and outside their social networks. This orientation appears in survey and experimental evidence. Traunmuller (2010) presents convincing evidence drawn from the German Socio-Economic Panel. Other explanations emphasize differences between religious and secular organizations. Members of church congregations, for example, may act honestly to signal their trustworthiness to other members of their congregation, because the opinions of their fellow congregants influence the benefits that they receive from participating in religious activities. Similar dynamics appear to be at work in many dimensions. Religious organizations possess many means of monitoring members’ behavior and punishing uncooperative behavior. Religious organizations also possess collective reputations that adherents’ value and that aid in recruiting efforts. Religious organizations may, therefore, induce individuals to behave cooperatively, both within and outside their group, because the organizations possess the motive and ability to do so.

Directions for Future Research

Religions' influence on cooperation and conflict produces many paradoxes. Religion inspires suicide bombers to murder innocent victims while inspiring individuals to contribute to charity. Religious leaders directed campaigns of conquest against regions inhabited by non-believers yet also spearheaded the campaign to abolish slavery. The economic approach to religion provides a means of examining these riddles. The club-theoretic framework makes a good start, and guture advances may come in historical, behavioral, and experimental studies.

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