

## MICROECONOMICS AT WORK EXERCISE

### ECONOMICS AND RELIGION

**REFERENCE:** 'Economists Are Getting Religion' (by Joseph Weber and Peter Coy), *BusinessWeek*, 6 December 2004, pp. 84–5.

### CHAPTERS RELEVANT TO THIS EXERCISE: 1, 2, 3

### CONTEXT

While economics and religion are conventionally regarded as quite separate, this article refers to a number of studies by economists that suggest there is in fact a quite close connection. The relationship as pointed out in the article (though the point is not made explicitly) is a two-way one. On the one hand it is argued that religious beliefs have significant economic consequences. On the other – and somewhat more controversially – several economists have attempted to explain how economic principles can also be applied to, and help explain, the pursuit of religious beliefs and practices based on those beliefs.

### QUESTIONS

1. Give some examples of how religious beliefs may both hinder and stimulate economic growth.
2. In what ways has it been suggested that the concept of 'rational consumer choice' can be applied to 'customers' for religion?
3. Can economic principles shed light on the phenomenon of terrorism and the most effective way to combat it?
4. Comment on the suggestion of one economist (quoted in the article) that less time – though often more money – is being spent on religion.
5. Discuss the analogy between economists' advocacy of free trade and advocacy of a laissez-faire approach to religion.
6. Do you think that these analyses provide a significant insight?