

Temples and Economists

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economics of religion in India

It is 6am in the South Indian temple town of Swamimalai. The temple is buzzing – priests chant scriptures in harmony, sandalwood incense sticks and oil lamps glow brightly, and shop vendors hawk their wares loudly, selling fruits and flower garlands to adorn the temple idols. The idols are bathed in milk and honey and dressed for the day in beautiful rainbow-coloured silks, bedecked with sparkling jewels. The smell of sweet rice, brown sugar and cardamom cooking together fills the air. And yet, for all its beauty, the sights and smells of a South Indian temple at dawn are just another early-morning ritual for the residents on the banks of the River Cauvery – a cocktail of prayer, jasmine, roses, sandalwood, oil and ghee, believed to preserve and protect them forever.

Religion is the spiritual expression of a race and a record of its social evolution. Scholars have grappled for centuries with its complexity and persistence: religion has been a force throughout human history, in all corners of the globe, and continues to exercise influence over individuals and their minds. Over 84% of the world's population report a religious affiliation, and the median age of the world's religious population is young at 28 years. Although there is often a perceived epistemological conflict between science and religion, to an economist researching poverty and piety it seems obvious that religion must have economic consequences. And yet economists have had relatively little to say about religion in society, especially in developing countries.

Although Adam Smith first made reference to religious competition in *The Wealth of Nations*, the economic approach to the study of religion highlights religious markets, the socio-economic attributes of



religious communities, how religion affects public goods, and how religious norms increase trust and incentives or impose social sanctions, especially in the absence of well-developed legal systems and property rights. By using economic theory and statistical techniques, and combining them with a deep regard for history and policy, economics can bring insight to evaluations of the role of religion in society.

In my research, I draw upon the first large-scale economic survey of religious organisations, which I led in India between 2006 and 2010, and which I am writing about in a research monograph to be published by Harvard University Press. This research examines how religious organisations across five religions and seven states in India provide religious and non-religious services, in response to income inequality and the competition for adherents.

My findings show that propagating the faith and religious education are key religious services and that technology and the media, including mobile phones, are used innovatively to promote them. Non-religious service provision includes education, health, employment, childcare, food distribution and other services. I find striking variations across religious groups in their provision of blood donation and other

medical camps, flood relief, old-age homes, innovative microfinance schemes and cow-lending schemes. One temple even provides aerobics classes! As Indian society becomes more aspirational, wealthy and unequal, limited secular provision of public services, especially in poorer regions, is offset by religious organisations and others providing education and healthcare.

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Today, global data demonstrate that as rich countries become more secular, the world overall is becoming more religious. This is linked to religious pluralism and participation, religious freedom and persecution, and the growth of religious fundamentalism. Economists must engage more with these contemporary debates for development policy. We need to ask questions about what it means to be 'religious' – is it intrinsic or socially driven? In non-Christian and non-Western societies, what makes the nature of religion there similar or different to the UK or the US? We must further understand the economics of Islam, Hinduism, Buddhism, Jainism, Sikhism, and tribal religions, especially in Africa, the Middle East and South Asia.

In the end, understanding the links between prosperity, poverty and piety will provide this economist, at least, with years of research and reflection. And in the meantime, the rituals of a South Indian temple at dawn, oblivious to all its wider repercussions, will continue as ever – exotic, colourful, calm and serene.