

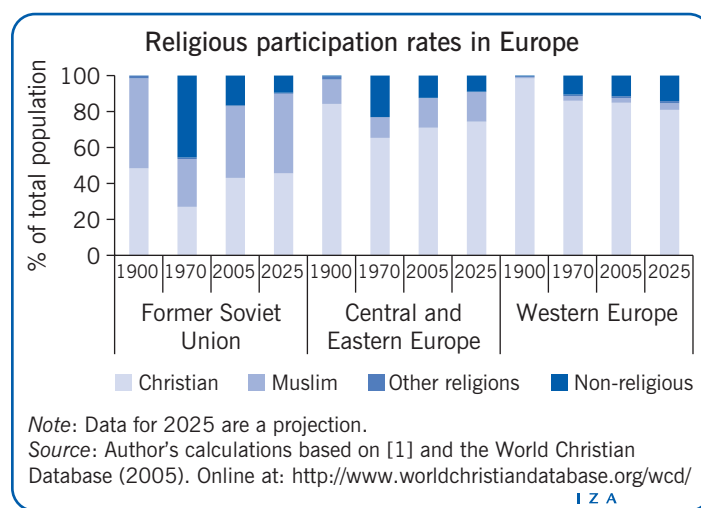
Does religiosity explain economic outcomes?

Understanding religiosity is crucial to informed policy making

Keywords: religion and religiosity, secularization, economic behavior, transition economies

ELEVATOR PITCH

Most religions in transition economies were marginalized by their former communist regimes. Today, some of these countries are experiencing a revival of religiosity, while others are prone to secularization. Religious norms affect individual decision making with respect to human capital investment, economic reforms, marital stability, employment, and other contexts. This implies that the interests of both religious and non-religious communities may differ and must be taken into account when designing and implementing economic policies, which is a challenge for policymakers.



KEY FINDINGS

Pros

- + Patterns of religiosity are distinct within transition countries; some experience a revival, while others are prone to secularization.
- + Religiosity may increase the quality of human capital by improving educational outcomes, motivating health-related behavior, and enhancing individual life satisfaction.
- + Individual religiosity may reduce adverse psychological effects of layoff, hardship, and economic reforms.
- + Surveys provide rich information about religious beliefs, activities, and affiliations, which can be used for policy analysis and design.

Cons

- Declarative religious affiliation and strong religious commitment may affect economic outcomes differently, but existing studies rarely distinguish between these measures of religiosity.
- Most studies on religiosity and individual economic outcomes and behavior provide correlational, not causal evidence.
- Research on the social and economic impact of particular religious denominations is missing.
- Potential negative effects of religiosity stemming from extreme and conservative religious beliefs are understudied.

AUTHOR'S MAIN MESSAGE

Clear patterns of religiosity exist within European countries. Some countries are experiencing a revival, while others are prone to secularization. It is important to understand the implications of this situation, since religiosity has a number of effects on economic behavior and attitudes. In particular, people with moderate religious beliefs are healthier, more productive, better educated, and seem better protected from adverse individual and countrywide events than the non-religious, while extreme religiosity may lead to adverse outcomes. These differences imply that religious and non-religious people demand and support different governmental economic policies.