

ECONOMIC CONSEQUENCES OF RELIGIOUS FREEDOM

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***Abstract.** On the Globe there are countries facing religious restriction and hostilities. In this article I tried to underline how religious freedom as a fundamental human right is in many occasions accountable to better economic and business outcome. I tried to demonstrate that religious freedom can be liable for the welfare of a country and its citizens. Countries where religious freedom for all denominations is respected are democratic countries, where peace and stability co-exist and are beneficial to investment activities. It can also be seen as countries where individual rights and, implicitly, religious freedom are respected and defended; its citizens will act altruistically, not just for their own interest but for the common good.*

***Keywords:** Human Rights, freedom of religion, economic freedom, social security, economic progress.*

Introduction

Definition of Religious Freedom

The Universal Declaration of Human Rights in article 18 stipulates that “Everyone has the right to freedom of thought, conscience and religion; this right includes freedom to change his religion or belief, and freedom, either alone or in community with others and in public or private, to manifest his religion or belief in teaching, practice, worship and observance”.

The same right is reiterated in the International Covenant on Civil and Political Rights, in an article with the same number – 18. In different expressions, the right to freedom of religion associated with other rights is also present in the stipulations of the International Covenant on Economic, Social and Cultural Rights, in the International Convention on the Elimination of All Forms of Racial Discrimination, in the Declaration on the Elimination of All Forms of Racial Discrimination intolerance and discrimination based on religion or belief, to list only a few of the world-class documents of international organizations.

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Similar provisions have also been incorporated into regional instruments such as the American Convention on Human Rights or the African Charter on Human and Peoples' Rights.

It is also stipulated in the European Convention on Human Rights, in Article 9, paragraph 1, the provisions of Article 18 of the Universal Declaration.

Pointing out that most modern states have incorporated into their constitutions provisions that do not allow governments to intervene in matters pertaining to the domestic work of an officially recognized religion, it is important to mention: the notion of religion is not defined by any constitution. For this reason, religious freedom often means a fundamental right as long as it does not contradict public order.

The Importance of Religious Freedom for Economy

Religious freedom, along with political freedom, press freedom, thought freedom, opinion freedom, creates a favorable business framework that stimulates economic growth. It is a barometer of the development of a modern society. A society geared towards multiculturalism, diversity, democratic values will show respect for religious affinities, both individually and collectively, and hence, it will also respect the rights of business persons, related to the unrestricted expansion of companies, predictability of tax and juridical system that are pivotal for sound businesses.

On the other hand, an important role plays the traditions as a way of influencing social norms and behaviors. Every religion is based on moral principles, strictly precepts that influence social progress and social development. But there are also cultural determinations of economic phenomena.

“According to manifold published studies, the relationship between culture and market incentives is functional and has obvious effects on economic development. There is also an argument that leads to the development of the spiritual side of the economy and other cultural elements, such as entrepreneurship”. (Lavoie, D., Chamlee-Wright, E., 2000).

The level of freedom of a country marks the degree to which individual rights and freedoms are respected in that country. Religious pluralism demonstrates the level of freedom of a country, but it is also a determinant of economic growth. Religious freedom also leads to economic prosperity. Countries where religious freedom is non-existent are

the poorest and economically backward, North Korea, Afghanistan, Nigeria etc. There are also countries where the other individual rights are not respected.

“The World Watch List is an annual report on the global persecution of Christians ranking the top 50 countries where Christians are persecuted for their faith. Released at the beginning of each year, the list uses data from Open Doors field workers and external experts to quantify and analyze persecution worldwide. Countries are ranked by the severity of persecution of Christians, calculated by analyzing the level of violent persecution plus the pressure experienced in 5 spheres of life. The rankings and report are audited by the International Institute for Religious Freedom”.

“Accordingly to Open Doors World Watch List, 2017, the most oppressive place in the world for Christians is North Korea. People have to hide their faith because of the persecution of the communist state”.

For example, Afghanistan is a country where Christians are also facing persecution. They are pressured by families, friends, communities and local religious leaders not to embrace Christian faith. Becoming Christians is an act of courage, because if somebody converts from Islam to Christianity is expecting to be killed. Other are sent in mental hospitals by their own families because they tried to change their true religion. Becoming Christian means to lose personal property and possessions.

In Syria, Christians are facing persecution also by ISIS and other Islamic militants. In this country many churches are in ruins

Nigeria has Christians in the southern states and Muslim in the northern states. Since 1999 there is Sharia law in twelve states of the country, partially or fully.

(https://www.worldwatchmonitor.org/wp-content/uploads/2015/01/WWL15_methodology.pdf)

On the other hand, USA is considered one of the most religious countries on the Globe accordingly to Pew Research Center study:

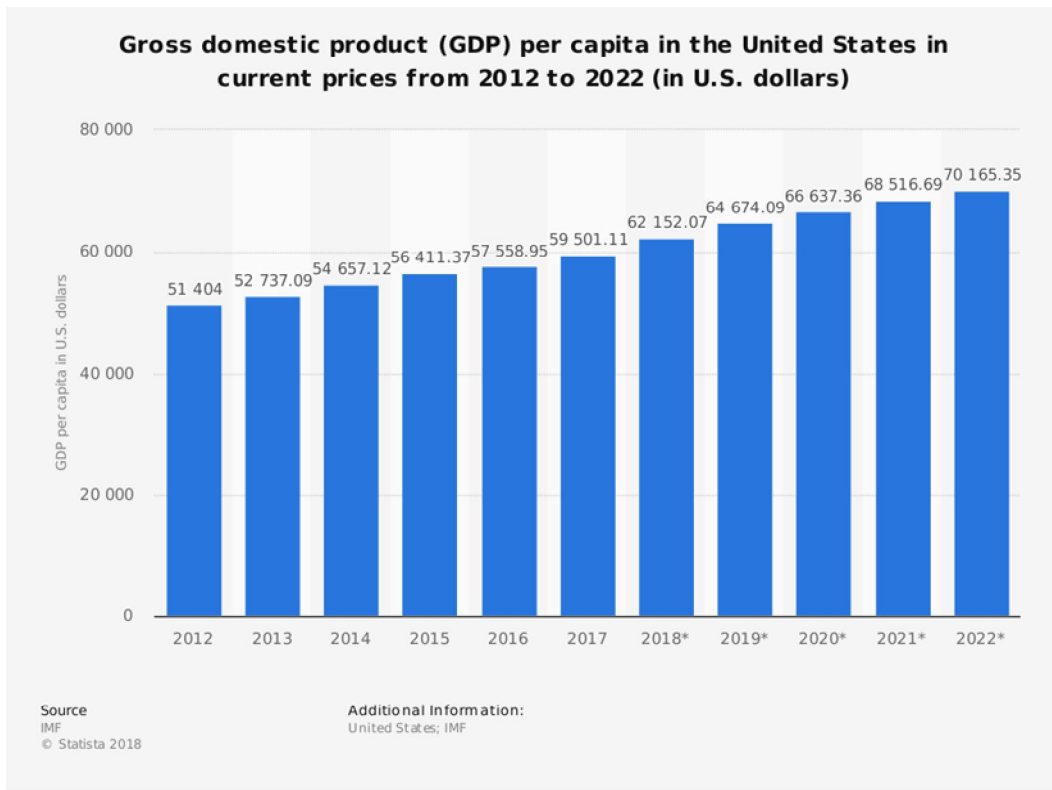


Figure 1. GDP per capita in the U.S. in current prices 2012-2022 (U.S. dollars).

The statistic shows the gross domestic product (GDP) per capita in the United States from 2012 to 2017, with projections up until 2022. In 2017, the gross domestic product per capita in the United States amounted to around 59,501.11 U.S. dollars. United States is one of the countries with the largest GDP per capita worldwide.

The level of GDP is a consequence of a country's degree of freedom. The countries which are facing intolerance the economic growth is also declining. It is easier to achieve economic growth in countries where individual's values and ideals are important and not disregarded.

The more human rights and freedoms are respected, the more economic progress is made easier.

Brian J. Grim, Ph. D., the president of the Religious Freedom & Business Foundation (RFBF) is an important expert in international religious demography and the socio-economic impact of restrictions on religious freedom. In his researches he demonstrated that religious freedom produces more effects in the analyzed countries. These are: a lower level of

corruption; more peace-environments, because the result of religious fundamentalism is usually conflict and violence.

In such environments, foreign and domestic investments are lower because of the turbulent climate and uncertainty created by political instability. Tolerance is a factor that allows stability, which is particularly important for the business environment and for ensuring investment.

It has been noticed that from an investment point of view, in countries with religious freedom, trust in investment and commerce is growing.

In a top of the most prosperous countries in the world, in 2016 after the following criteria are: economic power, education, health, government, attention for citizens, entrepreneurship opportunities, personal freedom and citizens' safety.

Ireland,

Capital: Dublin

Population: 6.4 million inhabitants

Currency: EUR (EUR)

Nominal GDP: \$ 254.596 billion

Per capita GDP: \$ 54,464

Ireland achieved the best score on personal security, a category followed by freedom of speech and education.

Finland

Capital: Helsinki

Population: 5.5 million inhabitants

Currency: EUR (EUR)

Nominal GDP: \$ 234.578 billion

Per capita GDP: \$ 41,690

Although it has earned a very good score on personal security and social assistance, Finland has achieved a much lower score than in past years in terms of the economy.

Netherlands (Netherlands)

Capital: Amsterdam

Population: 17 million inhabitants

Currency: EUR (EUR)

Nominal GDP: \$ 762.521 billion

Per capita GDP: \$ 44,828

On the contrary, in countries with a hostile climate to religious freedom, there are a series of conflicts that incite a state of mistrust, with serious economic consequences. Examples are the countries where there are terrorist groups, such as. Iraq, Syria, Afghanistan.

The political risk in a country affects the investment level of a country that will stagnate economically.

Investors are attracted to the countries where a climate of peace, characterized by economic balance, predominates.

“For this reason, several international rating agencies, such as Moody's and Standard & Poor's, assess periodically the country risk (the probability that changes in the business environment adversely affect operating profits or the value of assets in a specific country). Country risk is a complex term, which includes political risks, financial factors such as currency controls, devaluation or regulatory changes and social factors such as riots or civil war”. (Anda Gheorghiu, Anca Gheorghiu, Ion Spanulescu, *Target market risk evaluation* – <https://arxiv.org/ftp/arxiv/papers/1007/1007.1908.pdf>)

“The growth of religious populations also has implications for how the world's wealth will be spread about. The economic transformations of China and India are common knowledge. But, what is less well known is that the five leading economies of 2050 are projected to represent one of the most religiously diverse groupings in recent memory. For instance, today, seven of the G8 nations have Christian-majority populations. But by 2050 only one of the five leading economies is projected to have a majority Christian population – the United States. The other mega economies in 2050 are projected to include a country with a Hindu majority (India), a Muslim majority (Indonesia), and two with exceptionally high levels of religious diversity (China and Japan)”

“The diversity and economic growth of a country is due to the religious freedom promoted in that country”.

A book that shows how religious ideas can influence the economic mentality is that of Max Weber, *“The Protestant Ethic and the Spirit of Capitalism”*.

This book demonstrates how the doctrine of predestination has prompted Protestants to invest heavily in the work and quality of day-to-day work to be part of the privileged, economically successful category. Prosperity and success in business represented a sign that they appeared, and those predestined for religious salvation. Max Weber's work has been studied by many researchers who have concluded that religious ideas and traditions may either lead to economic progress or a decline in that.

It has also been noticed by specialists that religious groups promote organizational ideas and skills that are beneficial to their members.

There are countries that are tolerant, in the sense that they are religious liberals, but others who are hostile to this freedom. In countries with religious freedom, citizens know what rights and freedoms are, and accepting religious diversity is normality. For them, violating the religious rights of a person is a violation of law and morality.

Economic freedom creates a favorable environment for human beings-access to education, culture and to ethical values. Morality, even when it is exercised by atheist or agnostic people, is a perfect ferment for building a religious personality, when proper conditions met. Every religion preaches morality, charity, fairness, ingredients that are indispensable factors for economic growth. It has also been noticed that people who are religious have another will for work, trust in the day after tomorrow, in justice and are less likely to circumventing the law.

Brian Grim of Georgetown University and Greg Clark and Robert Edward Snyder of Brigham Young University after researches and studies concluded that “religious freedom contributes to better economic and business outcomes.”

They studied *“the GDP growth of 173 countries while controlling for 23 financial, social and regulatory factors, [Clark and Snyder] found that religious freedom not only is associated with global economic growth, but also is one of only three factors carrying that association”*.

Their research demonstrates that religious freedom can be correlated with economic success. The people working in a country that is open to religious freedom are very open to innovation and experimentation. The advantage is both for the individual, for the business environment ad society.

In countries where religious freedom prevails, it can be found the largest gross domestic product (GDP) per capita.

As it is shown below:

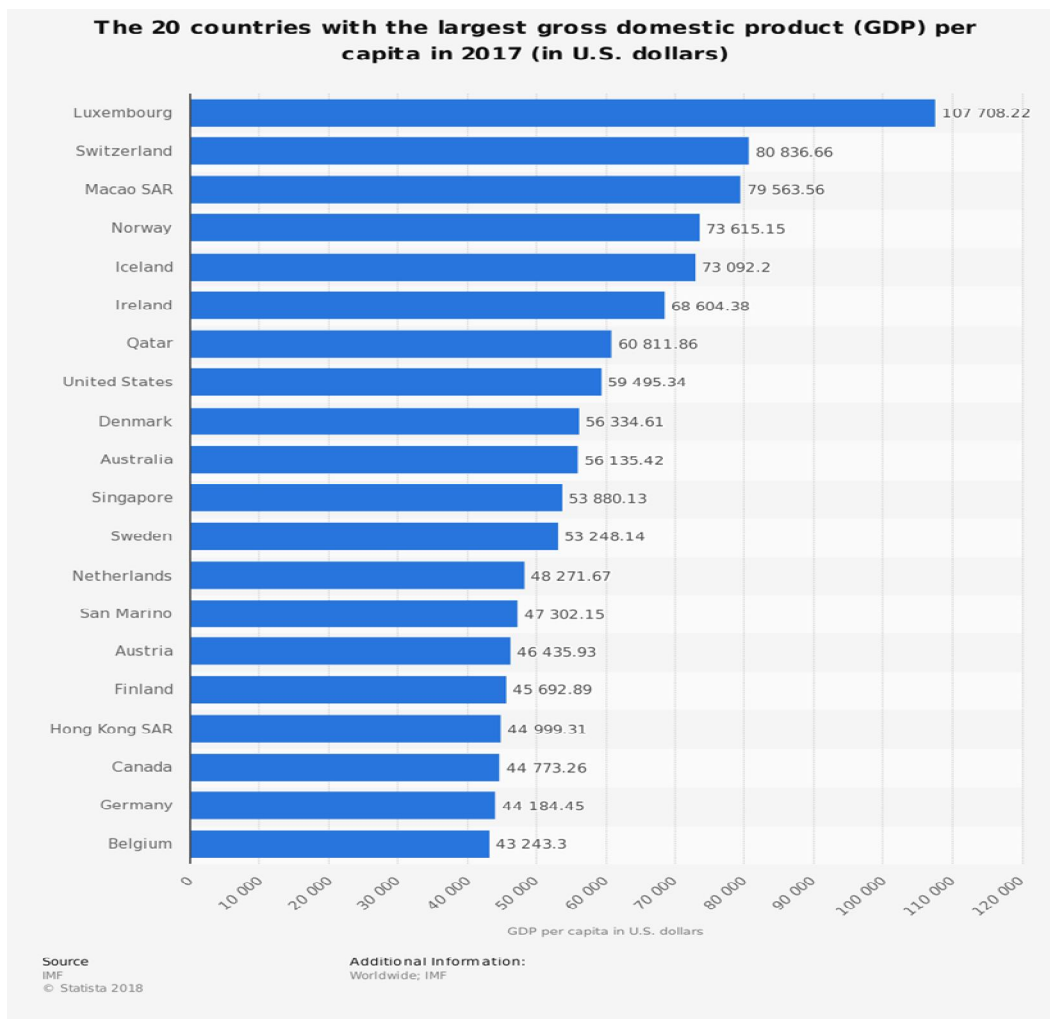


Figure 2. The 20 countries with the largest GDP per capita in 2017 (U.S. dollars).

The statistic shows the 20 countries with the largest gross domestic product (GDP) per capita in 2017. In 2017, Germany ranked 19th with an estimated GDP of about 44,184 U.S. dollars per capita.

This statistic is also important because in most of these countries religious freedom is respected and as a consequence they have the largest domestic product too. On the other hand, these are countries in which other fundamental rights and freedoms are respected, because they can not be excluded from one another.

Countries where religious freedom is respected are democratic countries where peace and stability co-exist and are beneficial to investment activities.

It can also be seen as a country where individual rights and, implicitly, religious freedom are respected and defended; its citizens will act altruistically, not just for their own interest but for the common good.

Grim's article does not suggest that religious freedom is the only or main element of economic development, it encourages governments and employers to consider religious freedom in strategic planning, human resource management, and community relations.

It is also very important the study made by the American researcher R. M. McCleary who focused on four indicators on the influence of the development of economy over religion, such as education, the value of time, the hope of life, urbanization.

All the studies point out that it is very important the protection of religious freedom by the state in all the countries.

I would like to mention that the study between interdependence of the religion and economy is a concern of a large number of specialists which is highlighted by Establishment of the Association for the Study of Religion – ASREC and the Center for the Economic Study of Religion – CESR.

Not only economists of the modern era were interested in the interdependence between economy and religion. The theologian John Wesley (1703-1791), the founder of Methodism promoted, in his sermons, a particularly favorable attitude, the involvement of people in economic activities He used to address to his congregation with these words: "Gain all you can, save all you can, give all you can".

Later, in a famous sermon, entitled "*The Use of Money*", Wesley developed the three ideas contained in that recommendation and argued, starting from the religious nature in favor of values such as hard working, independence, economic autonomy and mutual assistance.

Conclusions

Religious freedom is very important for the economic growth of a country. Where respect of values is dominant the people will work hard and will bring their contribution for the welfare of the country.

Religious freedom is also important for the social security of the citizen of the country, because of the moral values that share. A government who protects religious freedom will create an atmosphere of trust and competition in a good sense. A good governance will encourage competition even among all religions, treating religious equally.

It is also noticed that religious freedom grows respect between people and offers to the people the possibility to express their needs in the society.

It is also important because reduces corruption because religious people will influence their environment, through their moral values.

Religious freedom is also important because contributes to peace, helping the business environment. The investors are interested in countries where there is social stability and the law is respected.

Religious freedom, along with other liberties and social and economic measures, has an important role in the society.

Religious freedom has a key role in human and social developing of the countries. It can be seen in the history until today that religious communities built churches, schools, hospitals in the world.

The religious freedom will eliminate all kind of restrictions, based on religion or prejudices of all kind.

The religious freedom increases trust because of the respect of human rights, which can be seen in companies where respect of human rights is mandatory.

As a recommendation it will be useful for the states to encourage the respect of the religious freedom because it will be in the benefit of the countries under all aspects.

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