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Chiswick, Carmel Ullman

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## Egalitarian Religion and Economics

Carmel U. Chiswick

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Forschungsinstitut zur Zukunft der Arbeit Institute for the Study of Labor

# **Egalitarian Religion and Economics**

**Carmel U. Chiswick** 

University of Illinois at Chicago and IZA

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IZA

P.O. Box 7240 53072 Bonn Germany

Phone: +49-228-3894-0 Fax: +49-228-3894-180 E-mail: iza@iza.org

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### ABSTRACT

### **Egalitarian Religion and Economics**

The role of women in the ritual of many religions changed dramatically at the end of the 20<sup>th</sup> century, to the point where full participation by women was the norm by 2000 rather than the rarity that it had been 30 years earlier. This paper considers some aspects of the economic context that help explain why the movement toward egalitarianism succeeded in that period in contrast to its many previous failures. It concludes with predictions of future trends.

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Corresponding author:

Carmel U. Chiswick Department of Economics University of Illinois at Chicago 601 S. Morgan Street Chicago, IL 60607-7107 USA E-mail: cchis@uic.edu Egalitarian Religion and Economics By Carmel U. Chiswick University of Illinois at Chicago

In *Ordaining Women* (Harvard University Press 1997), Mark Chaves documents a remarkable phenomenon shared by many American religions and religious denominations in recent decades as women assumed roles from which they had previously been excluded. Part of a general trend toward egalitarianism in many aspects of society, this phenomenon is often attributed to a strong feminist movement that began during the social turmoil of the early 1970s. Yet feminism is not actually new, having many precedents in earlier eras when women sought more active roles in the labor force and in politics. What is new today is its widespread success. And for feminism to be so successful it must have had the support of men as well as women. So the fundamental question to be asked is why men today are so widely supportive of egalitarian religious roles in ways that were not previously evident.

As economists, we assume that while each individual has a unique set of tastes and preferences, people in general are fundamentally the same. We therefore look at the structure of prices and incomes to see how incentives for egalitarianism may have changed. This is not to say that preferences didn't change, or that the culture prevailing in society hasn't changed in favor of feminist goals, but without supportive economic incentives any such changes would be slow to spread and unlikely to persist. So the next question is: what is so special about economic conditions in the United States that makes so many people – men and women – receptive to egalitarian roles in religion as well as in so many other aspects of social life?

The first answer that comes to mind to an economist is high real wage rates, especially for women. An equally important phenomenon is widespread access to education, again especially for women. Even very early in its history American girls attended school with their brothers, and generally they were exposed to the same religious education as well. As women, they had access to wage-earning opportunities – at least until they married and had children – that made their education pay off in the labor market. This was in marked contrast with the situation in most of the countries from which Americans had immigrated and had important implications for the achievements of the feminist movement in the first half of the 20<sup>th</sup> century.

Consider some of the implications for men of a high female wage rate. Girls have fathers, brothers, and eventually husbands and sons, all of whom have some stake in their economic well-being. The decision to have fewer children is not made by the woman alone, but rather by the couple as part of a strategic lifestyle choice. A husband benefits from the skill of his spouse, either because she contributes more to the family income or because she is more productive in home-production activities, including the provision of health care and education for their children. More importantly, however, it is well known that couples with high opportunity costs of time tend to have smaller families – fewer children on which they generally spend more resources per child. In countries where economic opportunities are expanding, and the falling price of household appliances reduces the labor-intensity of home-production activities, we often observe a rise in female labor supply along with a decline in fertility rates. This effect is so strong as to dominate large positive wealth effects, even among adherents of religions that are explicitly pro-natalist, and the 20<sup>th</sup>-century United States was no exception.

Now consider some of the implications of low fertility for inheritance, not only of financial assets but also of religious heritage or other cultural values. For simplicity, consider only families with only two children. In half of these families there will be a boy and a girl, and the other half will be evenly divided between those with two boys and those with two girls. That means that three-fourths of the parents will have no more than one son and fully one-fourth will have none at all. If only sons could inherit, many fathers would simply have no heirs. While this might be consistent with law and custom, it would leave a large proportion of the men unfulfilled in their dynastic ambitions. Men with no sons would be only 6 percent of those with four children and 12 percent of those with three children, but 25 percent of those with two children and fully 50 percent of those with only one child.

Apart from the men with no sons at all, consider those with one son and one daughter. In a two-child family, both parents spend more of their time and attention on each child than would be the case in a much larger family. Many fathers get to know their daughters as well as their sons, and the father-child relationship is increasingly affected by personality differences as well as by gender differences. In some cases the daughter might be more suited than the son to fulfill a father's ambitions for the future, but even if this is not the case a daughter's own ambitions would resonate more clearly than it might if she were only one of, say, six or eight children. The father-daughter relationships are different in a small family, and even apart from income considerations the girls in small families are more likely to become educated and to view themselves as independent actors in society.

The implications for women of small families are even greater when we consider the boys. Half of the boys that grow up in a two-child family have one sister and no brothers. Regardless of how much they actually get along together, siblings in a small family get to know each other very well – their likes and dislikes, their strengths and weaknesses, their ambitions and frustrations. While siblings in large families may also develop close relationships with each other, the possibility of bonding in same-sex groups means that some boys can avoid having much of a relationship with their sisters. A boy with only one sister and no brothers has a very different relationship with her than he would if the family had four boys and four girls.

The father-daughter and brother-sister relationship is also relevant for a woman when she chooses a husband. Her father and brother are much less likely to approve of a son-in-law who has difficulty understanding and respecting her personality and ambitions. Families looking at a prospective groom can observe his relationship with his own sister as one indicator of his expectations for the appropriate gender role of his future bride. Whether the agreement is arranged by the parents or by the young people themselves, a population with many two-child families leads to marriages between men and women who have each grown up in a small family with all that that implies.

Now place these observations in an economic context. If wages are high, especially for women, married couples have an incentive to have fewer children and spend more money on each child. If the rate of return to education is high, parents have an incentive to invest in their children's human capital. If both of these conditions are present, as was the case in 20<sup>th</sup> century United States, fertility levels decline and education levels rise. And because families are small, education rises for girls as well as

boys. Within families, gender becomes relatively less important in these decisions than individual capabilities and personalities. If social resistance to women's education – whether secular or religious – is great it may take more than one generation before it is overcome, but once the sons raised in small families become a large proportion of the adult male population it is easier for women to find men who sympathize with their feminist goals.

The structure of economic incentives that supported the spread of egalitarianism in the 20<sup>th</sup> century U.S. is broadly based and thus likely to persist well into the future. High incomes may suffice to raise the education level of women in general, but it is the high wage opportunity for women that reduces fertility and leads ultimately to greater egalitarianism. As women become more active in areas from which they were previously excluded, men and women adapt to each other in ways that affect male roles as well. When education levels and wage rates are approximately equal, the economic partnership between husband and wife is altered accordingly. The division of labor within the household becomes less specialized – instead of father earning money and mother keeping the home, both parents work in both places and household activities are shared. These families tend to have fewer children and invest in their children's human capital with little regard to gender. When these children grow up, the similar education levels of men and women result in a pattern of economic incentives similar to that of their parents. The egalitarian social structure is thereby transmitted to the next generation.

Egalitarianism at work – whether in the marketplace or within the household – does not mean that there is no difference between men and women. Certainly there are biological differences that are part of the human condition. People also enjoy socializing

in same-sex groups, even as they enjoy groups with both men and women. What disappears in an egalitarian society is the notion that women are intellectually or spiritually inferior to men because of their gender *per se*. This is the ultimate goal of the modern feminist movement, and it has been largely successful in the 20<sup>th</sup> century United States because of the changing structure of economic incentives that altered American family life.

Egalitarian movements in American religious groups should be understood in this context. To the extent that religion is a social activity, it is not unusual for men and women to feel comfortable addressing their spiritual needs in same-sex groups. When religion is viewed as a profession, however, gender *per se* no longer seems to be a relevant qualification. Arguments that women are *ipso facto* incapable of deep spirituality or for some other reason are not suited for religious leadership because of their gender do not resonate in a population where men and women are equally well educated and are accustomed to working together on an equal footing in the labor market and at home. The structure of economic incentives that supported the spread of religious egalitarianism in the 20<sup>th</sup> century is thus broadly based and likely to persist well into the future.