

THE NEXUS BETWEEN RELIGION AND ECONOMIC DEVELOPMENT IN NIGERIA

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Abstract

Religion and development are two different phenomena, but nonetheless they are closely interlinked through history in dynamic interplay at global, regional and local levels. In the light of this, it is strange that the connection between the two is so rarely analyzed and discussed. The study employed descriptive research with a well-designed questionnaire administered on two hundred respondents comprising all the three major religious bodies in Nigeria (Christianity, Islam and Traditional). Ordinary Least Square (OLS) of statistical analysis was employed to analyze the dummy variables of attendance at places of worships, beliefs in the existence of heaven and hell as well as religiosity of the respondents regressed against the GDP of Nigeria and it was confirmed truly there exist a significant nexus between religion and economic development process of Nigeria. The study therefore concluded by recommending to the government at all levels as well as policy makers to explore more on this veritable advantage especially for developing nations like ours, the importance of religious practices and beliefs in achieving laudable economic development goals.

Keywords: *Religion, Islam, Christianity, Economic Development, Nigeria*

Introduction

Development issues are complex and multifaceted. There is no one single pathway for economic development that all countries can pursue. In the long term, the economic development process requires changes in policies to account for new emerging factors and trends. Designing these economic development policies also need to take into consideration the social, cultural, political systems and institutions as well as their changing trends over time in a country.

Development strategies have changed remarkably over the past half century. Classical development economists often see underdevelopment as having a single cause. But history has demonstrated that focusing on one single factor alone cannot guarantee success in the development process. Capital formation (as emphasized in the linear stage growth models) is necessary but not sufficient. Structural change models that promoted industry but neglected agriculture also did not bring about the expected results. The international dependence models pursued an inward-looking model of development that promoted state-run production. On the contrary, the neoclassical free market counter-revolution is a different strand of thought that supported the role of the free market, privatization and export expansion. However, the contemporary models of development see the government and the market as complements, in

which a certain extent of government intervention is required to ensure that desirable outcomes can be achieved in the presence of related market failures. Although the ultimate goal of economic development goes beyond the growth of gross income (GDP, GNP or GNI) per capita, an understanding of the sources of growth is essential to achieve other objectives. Economic development is about growth plus organizational change (Hoff and Stiglitz 2000).

The recent trend in religion has been viewed as a means towards achieving certain goals: it is closely linked to wider material and ideological developments that have affected global economy. One of these trends is the decline and collapse of state socialism, which served important ideological and economic functions outside the socialist world, including the offer of an ideological and economical alternative (Nolte, 2009). This alternative included the provision of an alternative moral and economical vision of the world, and, on the whole, a consensus by ruling elites that social inequality needed to be limited. Since the 1980s, global and national economy has increasingly been dominated by ideological and practical responses to the ostensible victory of liberal capitalism. Reflecting a growing skepticism of alternative visions of the world, idealistic thinking has frequently been perceived as outdated and positive visions for the future of humanity have been limited to the functioning of the market and its institutions.

Religion shapes development both via organized religious actors involved in providing community development programs, such as health services, education, and microfinance; and as a cultural institution which shapes worldviews about what the world is, what is possible to create in the world, what society should be, and how to create social progress (Ryan 1995).

In many contexts, increasing reliance on the market and the lack of consensus on limiting social inequality and poverty meant that moral principles and hopes for humankind were demoted to the private realm of personal ethics or faith. While during this era, religion has often informed and influenced economic activities, both in predominantly secular Europe and beyond, the recent intensification of religious debates has had important economical and developmental consequences because it reflects or intersects with existing and – due to increasing inequality – growing social divisions. Thus, the ideological distance between Islam on the one hand and Christianity and the (Western) secularism derived primarily from Christian traditions on the other hand has contributed to a growing economic and political distance between Muslim and Christian communities.

In the light of the above, this paper examines the synergy or nexus between religion and economic development in Nigeria, an important African country in terms of both its economic potential and economic influence and its population of about 180 million inhabitants. It argues that the religious beliefs and attendance at places of worship influence the agent who is composite both in the organisation and the economy.

What is Religion?

Intellectuals have greatly attempted to come to a conclusion as to what could stand as an acceptable definition of religion but this has been an exercise in futility. According to Microsoft Encarta Dictionary (2009), the word *religion* is derived from the Latin noun *religio*, which denotes both earnest observance of ritual obligations and an inward spirit of reverence. In modern usage, *religion* covers a wide spectrum of meanings that reflect the enormous variety of ways the term can be interpreted. At one extreme, many committed believers recognize only their own tradition as a religion, understanding expressions such as *worship* and *prayer* to refer exclusively to the practices of their tradition. Although many believers stop short of claiming an

exclusive status for their tradition, they may nevertheless use vague or idealizing terms in defining religion—for example, “true love of God,” or “the path of enlightenment.” At the other extreme, religion may be equated with ignorance, fanaticism, or wishful thinking.

By defining religion as a sacred engagement with what is taken to be a spiritual reality, it is possible to consider the importance of religion in human life without making claims about what it really is or ought to be. Religion is not an object with a single, fixed meaning, or even a zone with clear boundaries. It is an aspect of human experience that may intersect, incorporate, or transcend other aspects of life and society. Such a definition avoids the drawbacks of limiting the investigation of religion to Western or biblical categories such as monotheism (belief in one god only) or to church structure, which are not universal. For example, in tribal societies, religion—unlike the Christian church—usually is not a separate institution but pervades the whole of public and private life. In Buddhism, gods are not as central as the idea of a *Buddha* (fully enlightened human being). In many traditional cultures the idea of a sacred cosmic order is the most prominent religious belief. Because of this variety, some scholars prefer to use a general term such as *the sacred* to designate the common foundation of religious life.

Religion in this understanding includes a complex of activities that cannot be reduced to any single aspect of human experience. It is a part of individual life but also of group dynamics. Religion includes patterns of behavior but also patterns of language and thought. It is sometimes a highly organized institution that sets itself apart from a culture, and it is sometimes an integral part of a culture. Religious experience may be expressed in visual symbols, dance and performance, elaborate philosophical systems, legendary and imaginative stories, formal ceremonies, meditative techniques, and detailed rules of ethical conduct and law. Each of these elements assumes innumerable cultural forms. In some ways there are as many forms of religious expression as there are human cultural environments.

Pamu (2012), while writing on the role of Christian religion in sustainable development of a nation, noted that writers has continued to discuss the problems of religion in a manner that belittles the role and place of religion in sustainable development. He attributed this problem to the inability of an agreement of what really religion stands for.

Brief History of Religion in Nigerian

As a multi-ethnic, multi-religious country, Nigeria’s broad religious geography reflects the historical exposure of its northern communities to Islam through the trans-Saharan trade and the success of Christian missionary enterprise in many of its southern parts. However, while historical alliances and shared ethnicity are closely associated with the adoption of these two world religions, religious and ethno-regional identity are cross-cutting, often reinforcing each other. Thus, while Islam had been entrenched in the pre-colonial Hausa cities for centuries, many other northern groups converted to Islam in the wake of the nineteenth century Islamic jihad under Uthman dan Fodio (1754-1817), during which the greater part of northern and central Nigeria was incorporated into a new Caliphate, albeit with the exception of the existing, and much older, Islamic kingdom of Borno, which remains the most important rival to Sokoto’s claims to represent all of northern Nigeria. Other Muslim groups with a tradition independent of the Uthmanian Caliphate include the Yoruba of south-western Nigeria, where people initially converted to Islam as a result of links to Malian trading communities (Peel, 1996), and Nigeria’s middle belt, where large-scale conversion to Islam has continued throughout the postcolonial period.

Nigerian Christianity dates back to the abolition of the trans-Atlantic slave trade in the early nineteenth century, which was followed by the emergence of a literate African elite, consisting of liberated and returned slaves as well as local converts, in coastal cities such as Lagos. Because Christianity is much younger than Islam in the local context, it is not associated with pre-colonial relations of power. And because its growth in Nigeria was accompanied by the spread of mission education, Nigeria's professional elite was, for a long time, dominated by Christians. Like Islam, Nigerian Christianity is heterogeneous. Roman Catholicism has long been the religion of the Igbo-speaking south-east, although Nigerian-founded Pentecostal churches have made strong inroads into this area over the twenty years prior to this study. In other parts of the country's south, Protestant denominations – including Pentecostal groups – are dominant in the Christian community, but the Yoruba-speaking south-west is almost equally divided between Christianity and Islam. Moreover, there are important Christian groups in the north, which include both Hausa converts and smaller local groups determined to assert their difference from the Hausa-speaking majority or from relations of power associated with the Caliphate (Kastfelt, 2003). In addition, just as there are Muslim migrants from northern Nigeria in many southern cities, there are Christian communities of migrants, or descendants of migrants, from the south in almost all northern Nigerian cities.

The Evolution of Economic Development Thoughts

Although development economics became established as a discipline within economics only in the 1950s, several early economists had written extensively about the nature of economic society and prosperity. Among them, Adam Smith and Karl Marx are the two most famous thinkers for their two opposite views on a nation's system of economic arrangements: one called capitalism and the other called socialism.

On the one hand, Adam Smith, in his famous work published in 1776 "The Wealth of Nations" focuses on the market saw that division of labour could create more productive processes. The mechanism for enhancing the nation's wealth therefore is through specialization and exchange. He argued that under competition, private investors while pursuing their own interests guided by the "invisible hand" would maximize national output and thus promote public interests. The "invisible hand" doctrine has become the foundation for the working of the market economy or capitalism (Skousen 2007). In the system, government interference is seen as inefficient in looking after economic activities. Meanwhile, free trade, private property and competition are seen as the foundations that would spur economic development, reduce poverty and bring on social and moral improvements of humankind. However, freewheeling capitalism is often criticized for bringing wealth only to the rich, whereas the poor get poorer.

On the other hand, Karl Marx in his own work "da Capital" published in 1867 argued that the feasible system should be based on social or public ownership of property. Karl Marx emphasized that the wealth of the capitalists comes from the exploitation of the surplus value created by the workers. Hence, private property and free market were seen as causes of poverty for the many millions of workers. Therefore, private property should be completely abolished. A nation's economy should be planned and managed by the state to serve the interests of the masses. Marx believed that a revolution would be inevitable to break down the increasing concentration of the capitalists, and to establish socialism (Roemer, 1988; Skousen, 2007). But the socialism philosophy was not viable either. The historical experience of socialist economies showed little or even no improvement in the living conditions of the poor. The collapse of the

Soviet Union in 1991 and the central planning paradigm appeared to demonstrate that the model would not provide the solution to poverty and inequality seen in human society (Meier, 2000).

Traditional theories of secularization

The most influential strands of thought shaping the debate over secularization can be broadly sub-divided into two perspectives. On the one hand, demand-side theories, which focus ‘bottom up’ on the mass public, suggest that as societies industrialize, almost irrespective of what religious leaders and organizations attempt, religious habits will gradually erode, and the public will become indifferent to spiritual appeals. By contrast, the supply-side theory, which focuses ‘top-down’ on religious organizations, emphasizes that the public demand for religion is constant and any cross-national variations in the vitality of spiritual life are the product of its supply in religious markets. Supply-siders argue that religious organizations and leaders play a strategic role in aggressively building and maintaining congregations, essentially suggesting that ‘if you build a church, people will come’. After outlining these alternative accounts, we conclude that, although the original theory of secularization was flawed in certain regards, it was correct in the demand-side perspective.

Methodology

Our approach followed the work of Barro and McCleary (2003) that the determinants of religiosity assumes the demand and supply forces combine to influence levels of religious participation and beliefs. However, our primary interest in this paper is not to assess the secularization hypothesis or the market model of religious participation. Rather, we study the determinants—or, at least, the correlates—of religiosity mostly to facilitate our analysis of the effects of religion on economic development. Specifically, our study of religiosity suggests plausible instrumental variables that can be used to pin down the direction of causation from religion to economic performance, rather than the reverse.

Econometric model was specified in line with the work of Barro and McCleary (2003) with little amendment as stated below:

$$GDP = \beta_0 + \beta_1 APW + \beta_2 EoH + \beta_3 EHV + \beta_4 RLG + \varepsilon$$

Where; GDP = Gross Domestic Product, APW = Attendance at Places of Worships, EoH = Belief in the Existence of Hell, EHV = Belief in the Existence of Heaven and RLG = Religiosity of the Respondent

The mosque/church/traditional shrine attendance and belief variables are estimated as $\log[x/(1-x)]$, where x is the fraction attending or believing.

Result Presentation and Discussion

Completed returned questionnaires were abstractedly coded and fed into the computer, an econometric model specifying an assumed linear relationship between the Dependent Variable (GDP) and independent Variables (APW, EoH, EHV, RLG) as dummy variables which was specified and regressed using Ordinary Least Square (OLS) method with the aid of E-Views 7.0; an econometric statistical package, to perform the multiple regression analysis. The estimated result is as presented below:

Table: 1.0: E-Views Result

Dependent Variable: GDP
 Method: Least Squares
 Date: 29/09/17 Time: 14:05
 Sample: 200
 Included observations: 200

Variable	Coefficient	Std. Error	t-Statistic	Prob.
APW	-0.016480	0.045148	-0.365023	0.7153
EoH	0.103348	0.096126	1.075137	0.2831
EHV	0.126141	0.059670	2.113959	0.0353
RLG	1.011631	0.041289	2.450123	0.0005
C	2.369074	0.170803	13.87020	0.0000
R-squared	0.616516	Mean dependent var	2.046921	
Adjusted R-squared	0.607761	S.D. dependent var	0.866449	
S.E. of regression	0.863080	Akaike info criterion	2.555042	
Sum squared resid	251.0336	Schwarz criterion	2.599990	
Log likelihood	-431.6346	Hannan-Quinn criter.	2.572950	
F-statistic	488.6457	Durbin-Watson stat	1.886780	
Prob(F-statistic)	0.000016			

Source: Author's Computation, 2017

We estimated the model above using three criteria, viz: Economic a prior criteria; statistical criteria and Econometric criteria. The estimated regression line has a positive intercept, represented by the constant term. This means that if we hold all variables constant, there will still be an autonomous increase in Gross Domestic Product (GDP) by 2.369074 billion. The results show that Gross Domestic Product is positively and statistically related to Belief in the Existence of Hell (EoH), Belief in the Existence of Heaven (EHV) and Religiosity of the Respondent (RLG) but inversely related to Attendance at Places of Worships (APW). This was supported by the findings of Barro and McCleary (2003), Eelke de Jong (2008) who argued that higher attendance at places of worships depresses growth because it signifies a larger use of resources by the religion sector, and the main output of this sector (the religious beliefs) has already been held constant put differently, time spent in places of worships goes at the expense of the time for economic activity.

The R-Squared and Adjusted R-Squared are used to measure the goodness of fit of the estimated model. They measure the proportion of the total variation in the dependent variable that is explained by variations in the explanatory variables. The estimate of the R-square is significantly different from zero at one percent level, attesting to the goodness of fit and correctness of the specified distribution assumption of the composite error term. The variance ratio (R^2) estimated to be 0.6164 is statistically significant at 1% suggesting that the systematic influences that are unexplained by the explanatory variables are dominant sources of error.

Lastly, we test for the existence of a significant linear relationship between the independent variables taken together with the dependent variable using the F- Statistics. The ratio is used to

test the overall statistical significance of the estimated model; this gives the value of 488.6457 with the probability value of 0.000016 indicating a good fit of the model.

Summary of Findings

This empirical work used a combination of both primary and secondary data which include high level and well-designed questionnaire that elicited information on attendance at religions places of worship, beliefs in the existence of heaven and hell, and religiosity/religious beliefs of the 200 randomly selected samples. We equally obtained secondary data on the Gross Domestic Product of Nigeria. The findings indicated that attendance at places of worship tend to decline with economic development, the partial relations depend on the specific dimensions of development. Our findings also supported earlier findings by Barro and McCleary (2003), Eelke de Jong (2008) that the measures of religiosity are positively related to economic development while it is negatively related to attendance at places of worship but positively related to religious beliefs.

The results show that, for given religious beliefs, increases in attendance at places of worship tend to reduce economic growth. In contrast, the religious beliefs in the existence of hell, heaven, and an after-life—tend to increase economic growth. There is also some indication that the stick represented by the fear of hell is more potent for growth than the carrot from the prospect of heaven (Barro and McCleary, 2003).

Our conjecture is that higher religious beliefs stimulate growth because they help to sustain aspects of individual behavior that enhance productivity. In subsequent research, we plan to make these channels explicit by studying the linkages between religious beliefs and specific individual characteristics, such as thrift, work ethic, honesty, and openness to strangers.

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