

POLITICAL ECONOMY OF RELIGIOUS ELITES

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The hard question in economics is why some countries are rich and others are poor. Economists from Adam Smith to Daron Acemoglu have tried to answer this elusive question. They have investigated drivers of economic prosperity, looking at factors such as resources, geography, demography, and colonization, among others. The role of culture, which is usually confined to sociologists, has relatively recently come under scrutiny by economists as a possible driver of economic transformation.

Culture is a vague term as Robert Slow once remarked that all attempts to explain economic differences among countries using culture “end up in a blaze of amateur sociology”. (Krugman 1991) Despite the extreme popularity of culture in social sciences and humanities, a mind-boggling number of definitions are employed. The definition used here is proposed by Boyd and Richerson (1985): “Culture is a set of

beliefs, values, and preferences, capable of affecting behaviour, that are socially (not genetically) transmitted and that are shared by some subset of society.”

In the case of Pakistan, religious beliefs, values, and practices constitute a dominant part of the culture. The role of religion and the political economy of religious elites can play a significant role in the socio-economic outcome of the country. The academic literature on religion and economic transformation is extensive. It looks at the role of belief, religiously sanctioned rules, and religious elites on the economic outcome of countries. Religion can also affect economic development by building trust, incentivizing education, family formation, and shaping political institutions. The economics of religion is influenced by the pioneering work of Max Weber, he proposed that the Protestant work ethic was an important factor in the early stage of

of European capitalism because worldly success could be treated as a sign of eternal salvation. Subsequently, different aspects of religious belief, practices, and interaction with political institutions have been analysed. In this short piece, we will look at the political economy of religious elites in Pakistan.

The power of religious elites is primarily derived from land. British rule solidified this by providing secure property rights. The Land Alienation Act of 1900 expanded elite control over land. It created an 'agrarian tribe' category, which one needed to be part of to easily buy and sell agricultural land. The shrine leaders took advantage of this and accumulated a huge parcel of land. Large tracts of land were given by the British to these shrine leaders for preserving social order and to support British rule in India. Anaton Lieven (2012) said that in Pakistan, "it is not wealth alone, but wealth plus either kinship or spiritual prestige, or both, that gives political power". Jared Rubin also made the case that historically Muslim rulers have used religious elites as low-cost "legitimizing agents" undermining the relative power of commercial and business classes resulting in the subsequent economic and cultural downfall of the Muslim world.

Religious elites and their interplay with political elites is the subject of recent work by Ahmet Kuru (2019). The Islamic world was far ahead of others based on every conceivable metric of civilization, science, technology, and urbanization for centuries. Then a continuous downfall came, Kuru's thesis explains this fall by focusing on the "ulema (religious jurist)-state alliance". He said that starting in the eleventh century, the alliance between the ulema and military state has resulted in marginalizing intellectuals and bourgeoisie thus resulting in economic divergence between the Islamic world and the rest.

Elites, whether religious or not, can shape institutions that can either promote growth or hinder growth and development (Robinson 2012). Islam in South Asia is primarily spread by the Sufis, the religious elite associated with these shrines has the soft power to shape institutions and development in their area.

The impact of religious elites on development in Pakistan is recently investigated in an interesting study by Adeel Malk and Rinchan Ali Mirza (2022). They focus on religious elites associated with shrines, as shrines are "considered cultural outposts of the power of Islam". Shrines are informal institutions providing food, helping the sick, and resolving disputes. Shrine leaders enjoy obedience from their followers due to their sacred lineage and religious authority. They also become intermediaries between the ruler and the ruled with their political and economic power. They have been enjoying this power from pre-colonial times to the present as rulers courted them for support and religious legitimacy. The present political economy structure gives them the power to allocate state resources and affect development.

The power of shrine leaders can be substantially reduced by access to literacy. The voluntary obedience required by them is facilitated by a lack of literacy. There is a huge incentive for them to hinder access to literacy. Religious elites, unlike other elites, have the power to shape cognition, moral perception, and the beliefs of their followers, in this way exerting deeper control over them.

The empirical strategies applied in the study is based on a novel dataset created from colonial-era district gazetteers about historically significant shrines in various region of Punjab and long panel data on literacy covered over a century (1901 - 2011).

Social scientists like economists do not have the liberty of conducting natural experiments like their fellow scientists in natural science. But sometimes a policy change or an event creates something close to a natural experiment. In this study on shrines leaders, the military coup by Zia ul Haq in 1977 has created a setting for a natural experiment. To buy their loyalties, funds are spent through politicians in their respective constituencies. The authors look at this change in policy to investigate its impact on literacy in areas dominated by shrines elites.

The results show that shrines leaders used their political power to suppress literacy in their constituencies. They show that without the influences of shrines leaders the literacy rate would have been higher by 13 percent in these areas. The study systematically accounts for other reasons for low literacy in these areas, such as location and land inequality. The strategy used by shrines leaders in this regard is not to oppose the construction of schools but rather to reduce the quality of education by placing them further from the target population and the absence of other facilities like electricity and boundary walls.

The study has implications for both policymaking and execution. It shows how elites, in this case shrines leaders, used their religious, cultural, and political power to negatively affect the literacy rate in their respective areas. This supports the hypothesis that the elite would try to create hindrance in access to literacy to perpetuate their power and dominance – which also has to do with the political economy of education. Finally, the importance of local context and the interplay of religion, culture, and politics need to be considered before embarking on any policy intervention.

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