State Regulation of Religion and Muslim Religious Vitality in the Industrialized West

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Church-state relations have captured the attention of prominent thinkers throughout history. Drawing upon the intellectual heritages of Adam Smith and Alexis de Tocqueville, a “supply-side” explanation of religious participation predicts that religion will be more vibrant where it is less regulated by the state. Studies of Christian “segments” of religious markets have lent considerable empirical support to this hypothesis. This research note extends earlier research by investigating the relationship between state regulation and religious participation among the minority Muslim segments of predominantly Christian religious markets in 18 advanced industrial countries. Operationalizing Muslim religious participation by the rate at which Muslims make the “hajj” (pilgrimage) to Mecca, we find the predicted effect: Once social class is controlled, there is a powerful negative relationship between state regulation and the religious participation of Muslims. Even among Muslims in predominantly Christian societies, less state subsidy of religion produces higher levels of religious activity.

INTRODUCTION

Both Adam Smith and Alexis de Tocqueville observed long ago that religious activity seems greater where religion is more “free” from state regulation (de Tocqueville [1835] 1969, 297f; and Smith [1776] 1965, 740–41). In this spirit, greater church–state separation often has been invoked as the reason for consistently higher religious participation in the United States than in Europe (Caplow 1985). Only very recently, however, have there been attempts to systematically work out the mechanisms by which varying levels of church–state separation lead to enhanced religious vitality, and to explore whether or not this relationship obtains empirically.

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Although the issue of church-state relations has been a perennial theme in the study of constitutions (e.g., Kahn 1989), and scholars have engaged in normative debates over the proper role of religion in democratic society (e.g., Neuhaus 1984), the discipline of political science has neglected the empirical analysis of church-state relations. In particular, little attention has been paid to the empirical connections among church-state relations, religious vitality, and religiously based political activism. A number of recent phenomena lend new urgency to studying these connections. First, the visible presence of religiously based political activism in the United States warrants serious attention to the sources of vitality for religious organizations (e.g., Lader 1987). Second, understanding the sources of Islamic revivalism in the Middle East and in North Africa is now a high priority within political science (e.g., Antoun and Hegland 1987). Third, we are witnessing resurgent religion in the former Soviet bloc countries, a phenomenon suggesting a relationship between state regulation of religion and religious vitality.

In short, resurgent and politically active religion raises anew questions about the sources of the religious vitality underlying these political developments. Moreover, the possibility that one important source of this religious vitality lies within the political institutional sphere suggests that the study of the relationship between church-state relations and religious vitality lies squarely within the domain of political science. The nature of state patronage of religion is a fundamental issue for any polity, and it is incumbent upon political scientists to investigate the impact of such patronage on the society.

This research note offers a modest contribution to this agenda. There is an accumulating body of evidence suggesting that state subsidy and regulation of religion decreases religious participation among members of dominant religious groups. We investigate whether or not such an effect is observable as well among Muslim minorities.

**Theoretical Context: Developing a Supply-Side Hypothesis**

This area of investigation has been spurred recently by the increasing influence of economic and rational-choice theories in the social sciences. In the context of cross-national differences in church-state relations and religious participation, the central insight is that religious markets ought to function like economic markets in that “producers” should be less lazy when they must compete with other producers for consumer loyalty rather than rely on state-supported monopoly privileges. More energetic production of religion entails a greater likelihood that religious consumers will find something to their liking; hence, religious “consumption” should be higher where religious markets are more “free” from state control. More specifically stated, a “supply-side” hypothesis suggests that, the lower the level of state regulation of the religious market, the greater will be the levels of religious participation by individuals within that market.
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The supply-side hypothesis has been developed most forcefully by Iannaccone (1991; 1992). Iannaccone identified five mechanisms by which nations with established churches, or with churches enjoying some level of public subsidy falling short of full establishment, will, if the religious market functions like economic markets, have less vibrant religious institutions than nations with a completely unregulated, fully competitive, religious market. First, as in regulated markets in general, state-subsidized religious institutions will produce inefficiently, engendering both fewer and inferior services. Second, even when religion is “free of charge,” individual levels of practice and participation will be lower because consumers have no control over the quantity or quality of government–supported religion. Third, state administrators will be in a position to sway the content and policies of publicly funded religion to their own advantage. Unless there is an unlikely convergence of bureaucratic interest and consumer preference, this influence will reduce levels of religious participation. Fourth, a single publicly sponsored religion can never provide the variety of religious choices desired by diverse individuals. Fifth, and finally, the religious human capital invested in an inefficient state religion will bind people to it for generations after religious alternatives arise, preventing these alternatives from raising the religious vitality level as much as they otherwise might.

In a nonregulated “free market,” religious competition forces religious firms to produce efficiently goods and services that are more likely to be the religious goods and services desired by consumers. Hence, religious consumption (belief and participation) will be higher in a nonregulated market than in a market where certain religious institutions enjoy monopolistic or oligopolistic privileges.

Iannaccone (1991; 1992) tested this argument empirically by comparing church attendance levels in 18 Western, industrialized democracies. Lacking a direct measure of the extent to which religion is regulated or subsidized by the state, he investigated “market structure” by focusing on the level of diversity or concentration in the religious market. Iannaccone’s analysis demonstrated that, although individual-level religiosity in Protestant countries is strongly and negatively correlated with religious concentration or monopoly, this correlation spectacularly failed to hold among Catholic countries which, by definition, are religiously concentrated, but vary considerably in levels of religious participation.

Building upon the work of Iannaccone, Chaves and Cann (1992) demonstrated that the supply-side hypothesis does indeed hold for both Protestant and Catholic countries. They showed this by directly measuring the extent to which certain

1 But see also Finke and Stark (1992) and Warner (1993) for further elaboration of the market paradigm with respect to religion.

2 Here, and throughout the article, the countries included in the study are: Australia, Austria, Belgium, Britain, Canada, Denmark, Finland, France, Ireland, Italy, Netherlands, New Zealand, Norway, Spain, Sweden, Switzerland, United States, and West Germany.

3 Here, and throughout the article, religious participation among Christians refers to church attendance rates. The church attendance data are from surveys conducted between 1981 and 1983 by the International Study of Values (see Iannaccone 1991 for more information on these data).
religions enjoy monopolistic or oligopolistic privileges. They developed a six-item measure of religious regulation: whether (1) there is a single-state church; (2) there is official state recognition of some denominations but not others; (3) the state appoints or approves the appointment of church leaders; (4) the state pays church personnel salaries; (5) there is a system of ecclesiastical tax collection; and (6) the state directly subsidizes, beyond mere tax breaks, the operating, maintenance, or capital expenses for churches. Each of these items reflects a direct financial subsidy or benefit to a religious institution, exactly the kind of "public" support that should produce monopolistic laziness, and therefore lower participation.4

Using the same 18 Western, industrialized democracies employed by Iannaccone (1991), Chaves and Cann (1992) demonstrated that there is a clear and strong negative relationship between the extent of state regulation of religion and church attendance in both Protestant and Catholic countries. Countries in which the religious market receives less direct support from the state manifest considerably higher levels of religious participation.

These results, along with other analyses (Stark 1992; Finke and Iannaccone 1992; Iannaccone 1991; Finke 1990), suggest that there is indeed an effect of state regulation on the Christian segments of the religious market. However, all extant analyses of this relationship have been based on participation in Christian religions in predominantly Christian societies. If the supply-side argument is correct, a more "free" religious market should result in higher levels of religious participation among non-Christian religious segments as well, whether they constitute minority religious populations (such as the Muslim communities of Western Europe) or the vast majority of a country’s population (such as in the predominantly Islamic countries of the Middle East and North Africa).

As the initial stage of a larger study devoted to understanding the impact of state regulation of religion in the Islamic countries of North Africa and the Middle East, this research note is devoted to determining if the supply-side hypothesis holds when examining the levels of religious participation among non-Christian religious communities in Western societies. Specifically, we pursue this question by analyzing religious participation among Muslim minority religious populations in 18 Western, industrialized democracies.

**Testing the Supply-Side Hypothesis among Muslim Minority Religious Populations**

Investigating whether state regulation affects participation in the Muslim segment of the minority religious markets in Western countries obviously requires a valid and reliable indicator of religious participation among Muslims. Unlike Christian segments of these countries, for whom survey data describing religious participation are easily obtained, similarly appropriate data for the Muslim portions

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4 The data for this religious regulation scale were gathered primarily from Barrett (1982) but were cross-checked and supplemented with other material. Each item is coded one if present and zero if absent; the items are then summed to create a 0—6 measure of religious regulation.
are unavailable. We have sought to overcome the lack of survey data by using the only systematic measure of Muslim religious participation currently in existence: the number of Muslims from each country who have made the "hajj," or the pilgrimage to Mecca.

The hajj data are useful in terms of measuring religious participation for two reasons. First, all of the Islamic faithful are enjoined by the Qur'an—the holy book of the religion—to make the pilgrimage to Mecca at least once in their lives. Second, and more important, the passport nationality of all Muslims who travel to Mecca for the hajj are recorded, aggregated, and published on an annual basis by Saudi Arabia's Ministry of Finance and National Economy, Central Department of Statistics. This source includes hajj pilgrims from each of our 18 countries for both 1986 and 1987. The average of these two numbers constituted the numerator of our hajj participation rate.

Transforming these hajj numbers into a rate required that we estimate the number of Muslims in each of our selected countries. As explained by Abedin (1989), a precise estimate of the Muslim population of a particular country—even those of the industrialized West—"is rendered difficult by the fact that most countries do not include ethnic or religious classification in their national statistics" (376). Abedin (1989) further notes that, whereas the number of Muslims in countries where they constitute the majority "is generally known and accepted," (376) controversy usually exists over the estimation of the correct number of Muslims in countries where they constitute the minority. In the United States, for example, estimates of the number of Muslims range from 527,000 (Kosmin and Lachman 1993) to 6 million (Jacquet and Jones 1991).

To obtain a proper denominator to calculate the rate of religious participation among Muslims, we adopted a two-part strategy. First, we combed sources to find as many estimates as were available of Moslem populations in these countries. Second, we evaluated these sources and the methods used to arrive at the reported estimates, and we then made subjective judgments (which were cross-checked by regional specialists on Islam) concerning which was the best estimate of the number of Muslims in each country. The results we report here use these estimates in the denominator of the hajj participation rate.5

However, it is crucial that we have confidence that our results are not artifacts of the particular estimates of Muslim populations used. To gain this confidence, we recalculated the hajj participation rate twice using both the minimum and the maximum estimates of the Muslim participation rate in each country. The general patterns displayed here are the same whichever estimate we use.6 Once we developed the hajj participation rate, we simply plotted this rate against the six-item measure of religious regulation developed by Chaves and Cann (1992) and described earlier.7

5Details about these sources and our evaluations of them are available from the authors upon request.
6Results using the alternative estimates are available upon request.
7Throughout, we express the hajj rate as the number making the pilgrimage per 100,000 Muslim population. This variable ranges from fewer than 10 per 100,000 to more than 500 per 100,000. The median value is 79 per 100,000.
Since traveling to Mecca is expensive, haj rates for Western countries will be strongly affected by the social-class composition of the Muslim population. A measure of the socioeconomic status (SES) of Muslim minority populations therefore is needed as a control variable. Although there are not adequate data to develop a quantitative measure (such as median income for Muslim households in each country expressed as a percentage of overall median income), we have drawn on a number of sources to assess qualitatively Muslim SES in each country. On the basis of these assessments, which were cross-checked by regional specialists on Islam, we develop a dummy-variable measure of Muslim SES, where countries coded zero are those in which the Muslim populations are of considerably lower average SES than the Muslim populations in countries coded one.

Australia, Britain, Canada, Denmark, Finland, Ireland, New Zealand, Norway, and Sweden are coded one (high SES) on our social-class dummy. In each of these countries, significant numbers of the Muslim populations occupy middle- and upper-middle-class occupations such as businessmen, doctors, teachers, and engineers and other scientists. Therefore, they have significant financial resources with which to make the hajj. The countries of Austria, Belgium, France, Italy, Netherlands, Spain, Switzerland, United States, and West Germany (prior to reunification) are coded zero (low SES). In each of these countries, the Muslim populations find themselves among the lowest socioeconomic class groupings (e.g., among African Americans in the United States), or consist largely of guest workers and recent immigrants who occupy manual labor, working-class positions, and therefore have relatively meager financial resources with which to make the hajj.8

We expect to find a direct effect of this social class variable on the hajj rate. More importantly, within each of the two groupings defined by this variable, we expect to find a strong negative relationship between state regulation and Muslim religious participation.

The basic results are contained in table 1. The first model regresses the hajj rate on the regulation measure and on our measure of Muslim SES. The results demonstrate that countries with better-off Muslim populations send higher proportions to Mecca. Also, and most important, there is a strong negative effect of state regulation of religious markets on Muslim religious participation. Specifically, when SES is controlled, a unit increase in state regulation depresses the hajj rate by about 30 pilgrims per 100,000 population. The more religious markets are regulated, the lower the participation rate.9

8Detailed justifications of these coding decisions, along with the sources on which they are based, are available from the authors upon request.

9In response to a reviewer's query, we investigated the hypothesis that it is minority status rather than state regulation that encourages a higher level of religious activity among Muslims. However, a variable indicating the percent of total population that is Muslim does not exert an independent effect on the hajj rate when it is included in a model that controls for social class. Nor does it alter the significant and strong effect of state regulation when it is added to the equation represented by model I in table 1. These results are available from the authors upon request.
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### Table 1
**Effects of State Regulation and Social Class on Muslim Religious Participation**

<table>
<thead>
<tr>
<th>Model:</th>
<th>I (Full Sample)</th>
<th>II (Social Class = 0)</th>
<th>III (Social Class = 1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>88*</td>
<td>52***</td>
<td>397***</td>
</tr>
<tr>
<td>Level of state regulation</td>
<td>-33**</td>
<td>-14**</td>
<td>-37*</td>
</tr>
<tr>
<td>Social-class dummy</td>
<td>298***</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>$R^2$</td>
<td>.81</td>
<td>.79</td>
<td>.49</td>
</tr>
<tr>
<td>Adjusted $R^2$</td>
<td>.79</td>
<td>.76</td>
<td>.42</td>
</tr>
</tbody>
</table>

* $p < .05$; ** $p < .01$; *** $p < .001$.

Figure 1 and figure 2 display this relationship for the two groups of countries—those with lower SES Muslim populations and those with higher SES Muslim populations. Linear regression equations and goodness-of-fit statistics for these two figures are given in model II and model III of table 1. For both groups of countries, we observe a strong negative correlation between religious regulation and Muslim religious participation, although it is noticeably stronger for the lower SES
Muslim populations ($R^2 = .79$) than for the higher SES Muslim populations ($R^2 = .49$). Inspecting figure 2 reveals the likely reasons for this difference: The hajj rates for Australia and New Zealand are considerably lower than we would predict given the relatively high SES of their Muslim populations and the low extent of religious regulation in those countries. Since travel from these countries to Mecca is much more expensive than travel from the other countries in this study, it is not surprising that these countries manifest a lower-than-expected hajj rate. A model that incorporated some measure of the hajj cost for populations of various countries would undoubtedly raise this equation’s $R^2$. But we do not pursue this direction because our primary purpose is not to model hajj rates but rather to establish the negative effect of state subsidies in religious markets on Muslim religious participation.

CONCLUSIONS AND NEW DIRECTIONS FOR RESEARCH

We draw two primary conclusions from these results. First, there is clearly a strong direct effect of social class on hajj rates. Second, and most important, the data support the validity of the supply-side hypothesis once social class is controlled. In short, more regulation of the religious market is associated with lower levels of religious participation even among minority segments of that market. Muslim religious participation, as measured by hajj participation, is in fact affected by religious regulation in the same way that religious participation among Christians
is affected: In societies with “freer” religious markets, Muslim participation rates are higher. The effect of a free religious market apparently is not limited to the numerically dominant, Christian segments of the religious markets we have investigated. This evidence adds further support to the proposition that state subsidies and state regulation of religion dampen the level of religious participation in a society.

Several cautions are in order. First, the hajj rate is not an ideal indicator of religious participation. Because hajj rates are based on passport nationality of pilgrims, different conditions of citizenship for Muslim immigrants may affect a country’s rate. Guest workers in European countries, for example, maintain a passport of their country of origin, and therefore would not be counted as citizens of a European country if they were to make the hajj. Yet such workers more often than not live “hand-to-mouth” and repatriate the little savings that they are able to conserve to extended families in their countries of origin. As a result, they rarely (if ever) make the hajj while temporarily working (or studying) abroad. Consequently, this consideration is not a serious threat to our interpretation. Nonetheless, alternative indicators of religious participation among Muslims should be constructed. These indicators might measure such factors as how many times a Muslim prays daily (regardless of location); how often she or he attends Mosque on Friday (the Muslim holy day); or how rigorously one follows certain dietary requirements, such as those related to the holy month of ramadan.

Second, the religious vitality of Muslim minority populations may be affected by the levels of religiosity among the majority populations. It is reasonable to posit that immigrants to countries with higher levels of religious practice will themselves participate more actively. This possibility is intriguing, but not problematic. Since previous research shows that the religiosity of the majority Christian populations is influenced by levels of state regulation, this sort of “contamination” effect would still imply that state regulation is the fundamental variable, though its effect on Muslim participation might be more indirect than direct. Third, we cannot rule out the possibility that other characteristics of Muslim populations account for variations in hajj rates. Recency of immigration and levels of religious practice in immigrants’ countries of origin, for example, ought to be investigated further.  

A natural next step in this research agenda would be to extend the analysis so that predominantly non-Christian societies are included. Demerath’s (1991) descriptions of “church”—state relations in Pakistan, Indonesia, and Thailand make it clear that (1) there is variation among Islamic and Buddhist countries in the nature of the relations between a society’s religion and its government, and (2) the observed variation quite possibly is analyzable in terms of the extent to which religious markets are regulated. If it can be established that the dynamics of religious markets are similar across even this sort of cultural boundary, that would be powerful evidence indeed for the intellectual value of this focus on the supply-side of religious markets.

We are indebted to an anonymous reviewer for these last two suggestions.
Examine the consequences of church–state relations for religious vitality is not a narrow agenda. The countries of eastern Europe and the former Soviet Union are in the process of reconstituting their civil societies, which means in part working out new relationships among states and churches, and responding to the political demands of newly revitalized churches that are making their voices heard within these political systems. The relationships between states and religious institutions also are in flux in a number of countries in the Islamic world, particularly as established regimes, such as those in Egypt and Algeria, attempt to deal with increasingly powerful Islamic revivalist movements (see, e.g., Abramson 1992; Hermida 1992; as well as Piscator 1989). In such a context, research that focuses on the variety of state–church relations that are possible, and that further enhances our understanding of the consequences following from those possibilities, is particularly needed.

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