

Economics of Religion in the Middle East
August 17-21, 2020
DAAD Fachbezogene Partnerschaften mit Hochschulen in Entwicklungsländern
Institute of Law and Economics -Hamburg University
Summer School 2020

Syllabus

Instructor Information

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Course Description

This course provides an introduction to the significant role that religion, as a formal and informal institution, plays in the economic development of Middle-Eastern countries. The course explores the impact of legal institutions on economic development and presents influential theories related to the law and economics of the Middle East. The lectures are organized around topics that present intellectual puzzles, including ones that have preoccupied scholars for generations. Within each topic the goal is to learn not just what happened but also, and more important, why the region's economy unfolded as it did. In other words, the emphasis is on analysis rather than description. In pursuit of our analytical goal, we will draw comparisons with Western Europe. Further, the course provides historical and contextual backgrounds needed to understand routes to modernization in the Middle East. Through readings and discussions, course participants will explore the theoretical rationale and practices behind informal institutions stemming from religion that affected economic, political, and social development in the Middle East.

By the end of the course, course participants will be able to use theoretical concepts and applied frameworks to assess important institutional structures shaping contemporary Middle East economy, and communicate these analyses effectively. Course participants will also be able to critically evaluate some of the institutional arguments made in policy documents and academic articles.

Questions we aim to answer:

- Why economists study religion? And how?
- Was Islamic law an obstacle in the economic development of Middle-East countries?
- Which Muslim-majority countries apply Islam the most? Which are the least?
- What are the positive and negative consequences of Islamic constitutionalism?
- What is the relationship between religiosity and corruption?

Course Outline

Lecture 1	Religion and Development <ul style="list-style-type: none">- Why are economists interested in studying religion?- Theories of “Economics of Religion”.- How economists study religion?
Lecture 2	Islamic Law Matters (ILM) Thesis <ul style="list-style-type: none">- Did Islamic law affect development in the Middle East?- What are the economic consequences of Islamic Institutions? (e.g. Zakat, Waqf)
Lecture 3	Islamic Constitutionalism Matters (ICM) Thesis <ul style="list-style-type: none">- Is Islamic Constitutionalism compatible with rule of law?- How to measure Islamic Constitutionalism?- What are the social, economic, and political consequences of Islamic Constitutionalism?

17. August - 19. August: online course (pre-recorded material provided)

21. August: Zoom meeting with Prof Gouda (starting 9:00 am German time)

Readings List

- Ahmed, D., & Gouda, M. (2015). Measuring Constitutional Islamization: Insights from the Islamic Constitutions Index. *Hastings International and Comparative Law Review*, 38(1), 1-76.
- Cosgel, M., Miceli, T. J. & Rubin, J., (2012). The political economy of mass printing: Legitimacy and technological change in the Ottoman Empire. *Journal of Comparative Economics*, 40, issue 3, p. 357-371.
- Easterly, W., (2002). *The Elusive Quest for Growth: Economists' Adventures and Misadventures in the Tropics*. MIT Press, Massachusetts.
- El-Bialy, N., & Gouda, M. (2011). Can Shari'a be a Deterrent for Intellectual Property Piracy in Islamic Countries? *Journal of World Intellectual Property*, 14(6), 441-466.
- Gouda, M. (2013). Islamic constitutionalism and rule of law: a constitutional economics perspective. *Constitutional Political Economy*, 24(1), 57-85.
- Gouda, M., & Park, S.-M. (2015). Religious Loyalty and Acceptance of Corruption. *Journal of Economics and Statistics*, 235(2), 184-206.
- Gouda, M., & Potrafke, N. (2016). Gender Equality in Muslim-Majority Countries. *Economic Systems*, 40(4), 683–698.
- Gouda, M., & Gutmann, J. (2019). Islamic Constitutions and Religious Minorities. *Public Choice*. <https://doi.org/10.1007/s11127-019-00748-7>.
- Gouda, M., & Hanafy, S. (2019). Oil Curse, Islamic Constitutions and Democracy. *SSRN*. <http://dx.doi.org/10.2139/ssrn.3505777>.
- Iannaccone, L. (1998). Introduction to the Economics of Religion. *Journal of Economic Literature*, 36(3), 1465-1495.
- Kuran, T., (1997). Islam and Underdevelopment: An Old Puzzle Revisited. *Journal of Institutional and Theoretical Economics* 153, 41-71. (or *Islam and Mammon*, chap. 6).
- Kuran, T., (2001). The Provision of Public Goods under Islamic Law: Origins, Impact, and Limitations of the Waqf System. *Law and Society Review*, 35, 841-97.

- Kuran, T., (2003). The Islamic Commercial Crisis: Institutional Roots of Economic Underdevelopment in the Middle East. *Journal of Economic History*, 63, 414-46.
- Kuran, T., (2004). The Economic Ascent of the Middle East's Religious Minorities: The Role of Islamic Legal Pluralism. *Journal of Legal Studies*, 33, 475-515.
- Kuran, T., (2020). Zakat: Islam's missed opportunity to limit predatory taxation. *Public Choice*, 182, 395–416. <https://doi.org/10.1007/s11127-019-00663-x>
- Richards, A., Waterbury, J., Cammett, M. C., & Diwan, I. (2014). *A Political Economy of the Middle East*. Boulder, CO: Westview Press.