

## RELIGION AND ECONOMIC RECOVERY IN NIGERIA: A PROGNOSIS OF MODERN ECONOMICS OF RELIGION

**John Clerk Koko FIPMD, PhD**

Department of Religious and Cultural Studies

Rivers State University, Port-Harcourt

[johnclerk1@yahoo.com](mailto:johnclerk1@yahoo.com)

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### **Abstract**

*The issue of economic recovery of Nigeria has put scholars of divergent human endeavours to task since the country gained independence. While this is so, recent economic indices that placed Nigeria as the poverty capital and one of the most corrupt countries of the world have intensified the quest for possible solution. Therefore, this study examines the nexus between religion and economic recovery in Nigeria. Data for the study were gathered through literature review and discussion was done using the discursive and analytical approach. The entire discussion is pitched against the backdrop of the religious economics theory of Max Weber. The study argues that religion can play a significant role in the economy of any nation especially Nigeria. The study reveals certain religious values such as godliness and contentment, trust, selfless service, respect for human dignity, and ethics of good works, found in the Christian Bible that if adequately applied could facilitate economic recovery in Nigeria and position the country on the part of sustainable development. In this light, the study recommends religious education for leaders with respect to these values as a way to pragmatically addressing the economic situation in Nigeria.*

**Key Words:** Religion, economic recovery, economics of religion, and religious values

### **Introduction**

There is little doubt that Nigeria is endowed with abundant human and natural resources that can promote sustainable economic development. In fact, with over 250 ethno-linguistic groups and a population of about 200,000,000 people, Nigeria ranks the largest black nation in the world. The country also houses several mineral resources that could stir economic growth and development. Regrettably, the country has been stagnated economically since the country gained independence due to poor management or mismanagement of her resources. This accounts for the current negative GDP growth, epileptic power supply, collapse of educational system, unemployment, culture of impunity, insecurity, weak policies, endemic corruption, poor healthcare system, and most

shockingly the recent economic indices that placed Nigeria as the poverty capital of the world and one of the most corrupt in the globe. Unlike other nations, where proper management of human and natural resources has brought about economic development and sustainability. In Nigeria, the country has continued to experience poor management of her natural and human resources and this has plunged the country into serious economic woes. Given the above circumstances, it has become imperative to take urgent steps that could facilitate its economic recovery and sustainable development. The issue has put scholars of divergent human endeavours to task and religion can play a major role as well. The key questions then are: what role can religion play towards economic recovery and sustainability in Nigeria; and what is the nexus between religion and economic growth? The entire paper shall be hinged on these two questions. To achieve this, the paper will adopt the discursive and analytical approach to discuss data gathered through reading and review of literature.

### **Defining the Terms: Religion and Economy**

Mohammed and Sulaiman (2018:1) observe that it is customary in the academia to begin the analysis of a concept by situating it within existing concepts, ideas and theories in order to present a better understanding of it. Therefore, it is important to begin the paper by providing clear definitions of the operational terms before proceeding to establish the nexus between religion and economy.

The term "religion" has been defined variously by scholars. Some of these definitions focus on the substantive nature of religion while others pay attention to the functional nature of religion. Hence, there is no universally accepted definition of religion. Iyer (2016:398) notes that the substantive definitions of religion attempt to investigate religion as a system of beliefs or as a philosophy with a view to understanding the world. For example, the famous Indian philosopher, Sarvepalli Radhakrishnan in his 1928 book, *The Religion We Need*, wrote that "religion is an expression of the spiritual experience of a race, a record of its social evolution, an integral element of the society in which it is found" (Radhakrishnan, 1928:25). On the other hand, the functional definitions pay attention to what religion does for people in terms of its role in their lives or supporting them either socially or psychologically (Iyer, 2016:398). Against this backdrop, Glock and Stark (1965:4) see religion as "that which comprises an institutionalized system of symbols, beliefs, values, and practices focused on questions of ultimate meaning", while Durkheim (1912) defines it as a unified system of beliefs and practices pertaining to sacred things. Sacred things in this

context refer to things set apart and forbidden such as beliefs and moral practices which unite into one single moral community. What is certain in these definitions however, is that religion is an integral human experience which plays both substantive and functional roles not only in the lives of the individuals but also in all that happen in human society.

Unlike religion, the term “economy” has been defined in both general and specific standpoints. On a general note, the New International Webster’s Comprehensive Dictionary of the English Language defines it as “any practical system in which means are adjusted to ends, especially in the natural world” (2010:400). This general definition suggests that there are different types of economy namely: domestic economy, divine economy, business economy, etc. However, in a more specific sense, the same dictionary defines it as “the practical adjustment, organization, or administration of affairs or resources, especially of industrial resources of a state” (2010:400). What this means is that economy has to do with the management of all available resources of a state or country with a view to achieving her set goals.

### **The Precarious Nature of Nigeria’s Economy**

No doubt, Nigeria is endowed with abundant human and natural resources that can promote sustainable economic development. With over 250 ethno-linguistic groups and a population of about 200,000,000 people, Nigeria ranks the largest black nation in the world. The country is the 8<sup>th</sup> largest producer of oil, and 6<sup>th</sup> largest deposit of gas. Furthermore, it houses over 34 solid minerals, 44 exportable commodities, huge arable land, and balanced climatic condition. Regrettably, it has been stagnated economically since the country gained independence in 1960 as Soludo (2017:4) rightly observes. Certainly, this postulation is not difficult to accept given the current negative GDP growth, epileptic power supply, collapse of educational system, unemployment, culture of impunity, insecurity, weak policies, endemic corruption, poor healthcare system, and most shockingly the recent economic indices that placed Nigeria as the poverty capital of the world.

Unlike other nations such as Indonesia and Malaysia where proper management of human and natural resources has brought about economic development and sustainability. In Nigeria, the country has continued to experience poor management of her natural and human resources and this has plunged the country into serious economic woes. For example, Adeniran and Sidiq (2018)

observe that Nigeria's economy has remained stagnant over the years leading to the 2016 economic recession. Kida, Liberty, and Alade (2019:19) define recession as a period of significant decline in output and rise in unemployment and attributed the recession to factors such as high cost of governance, negligence of other sectors, poor infrastructures, corruption and sentimental tendencies, fall in oil price, sudden introduction of Treasury Single Account (TSA), depletion of foreign reserves, rising cost of production, job losses and poor policies (2019:20-25). They also acknowledge that Nigeria is presently confronted with the worst economic crises in decades and attributed these economic woes to the fact that the economy is highly mono-cultural, the political and governance structure of the economy is more of consumption economic and high cost of governance (2019:20). On their part, Ekepenyong and Richard (2019) who approached the issue from the point of view of development describe Nigeria as a country not developing because for them, development is measured by an increase in the production of goods and services plus social change that allows people to achieve their human potentials. Finally, Sanusi (2010) in his work on "Growth Prospects for the Nigerian Economy" observes that since independence in 1960, successive governments in Nigeria have made efforts to pursue the goal of structural changes without much success. He notes that though Nigeria is endowed with natural resources, economic performance has been rather weak and does not reflect these endowments and for him the economic decline in the country is due to political instability, lack of focused and visionary leadership, economic mismanagement and corruption, prolonged period of military rule, poor infrastructure, poor investment climate, the Dutch disease and low quality of education. Worst still, recent economic indices place Nigeria as the poverty capital of the world and one of the most corrupt in the globe.

Given the above circumstances, it is crystal clear that the Nigerian economy requires urgent steps that could facilitate its recovery and sustainable development. What then is the nexus between religion and economic growth? The next section shall be devoted to conceptualize the nexus between religion and economic growth.

### **Conceptualizing the Nexus between Religion and Economic Growth**

The nexus between religion and economy is well captured by scholars who sternly believe that one influences the other significantly. For example, in articulating this relationship, Iyer (2016:395) notes that economics and religion are closer than some might possibly believe. In fact, religion as he observes

influenced key economic policy debates in the United States during the nineteenth century. This fact is also captured by Friedman (2011:166) who argues that the evolution of economics as we know it today was influenced profoundly by changes in religious beliefs in the times in which Adam Smith lived. Similarly, Warner (1993:1049) points out that in the United States, organized religion flourished in an open market and that this idea was prompted by the fact that societal modernization went hand in hand with religious mobilization. In reiterating the fact that religion and economy are closely intertwined, Putnam and Campbell (2010) observe the continued importance and practice of religion which contemporary studies of the United States have shown. Though, the field of religion and economy is relatively new as Iannaccone (1998:1466) notes, it has earned a special recognition as a new territory within the expanding domain of economics. Accordingly, this field has increased the number of economic papers published in this area in the last decades as Chen and Hungerman (2014) correctly acknowledge. McCleary (2011b) and Oslington (2014) hypothesize that this increase highlights the fact that the study of religion now falls firmly within the purview of economic inquiry.

Today, the interest in the study of the influence of religion on economics on the one hand, and economics on religion on the other, has culminated to the theories usually referred to as religious economics and economics of religion respectively. According to Iyer (2016:397), "religious economics" is the use of religious ideas to provide social commentary on economic systems or behaviours. In religious economics, scholars seek to inquire on how religion exerts reasonable amount of influence on economic behaviours or attitudes. Finke and Stark (1992) religious economics deal with questions such as the movement from sects to churches, the formation of cults as well as schisms, and renewal movements. The main idea in religious economics is on how religious competition, religious regulation, new religious movements, and theological and institutional propagation of religious faith impact either directly or indirectly on economic behaviours and attitudes.

On the contrary, Iyer (2016:397) defines the economics of religion as a research that uses the tools and methods of economics to study religion as a dependable variable or to study religion as an in-dependable variable on other socioeconomic outcomes. Economics of religion draws heavily upon ideas in public economics, labour economics, industrial organization, development economics, and international trade, and uses tools developed in game theory and econometrics. It is critical to note that the economics of religion does not concern itself with the

theological and institutional propagation of personal religious faith. The most influential promoter of this theory is Max Weber who in his thesis discusses the effect of the Protestant ethic on capitalism (Weber 1904). The central thesis of Weber's writing is that there are certain theological aspects of the Protestant doctrine such as "predestination", "election", "calling" and "success in business" that were seen as contributing to salvation, generating a set of economic attitudes which were the spirit of capitalism. In their commentary on economics, Becker and Woessmann (2009) propose that rather than a work-ethic argument, the human-capital explanation is a more plausible reason for Weber's theory. But Iyer (2016:407) explains that since spiritual grace from religion is attained by demonstrating temporal success in one's calling through diligence, discipline, self-denial, and thrift, the Protestant ethic promoted a work ethic that increased savings, capital accumulation, entrepreneurial activity, and investment. An important side effect is that it also encouraged human capital formation and literacy, all of which might have contributed to economic growth.

Guiso, Sapienza, and Zingales (2003) have also shown in their survey on World Values Survey data between 1981 and 1997 that religious beliefs were associated with economic attitudes conducive to economic progress as measured by attitudes towards cooperation, government, women, legal rules, thrift, and the market economy, with different effects across religions, controlling for country fixed effects and individual characteristics. They also found out that religious people were more trusting, trusted others and governments more, and believed more that markets are fair, compared to those who were less religious. In a related development, Benabou and Tirole (2006) discussed theoretically the links between having more religious populations, high work effort, and its implications for low taxes and redistribution. Woodberry (2012:244) argues that conversionary Protestants influenced the development of democracy around the world because they espoused particular things that spurred democracy, including liberty, education, printing, newspapers, voluntary organizations and reforms associated with colonialism, creating preconditions for the success of democratic institutions. Thus, he concludes that religious, moral and cultural factors shape economic behaviour.

The benefits of economics of religion and religious economics are overwhelming. For example, some scholars like Landes (1995), Norris and Inglehart (2004) have argued that when explaining countries' economic growth, we should evaluate the role of culture more deeply. Similarly, Iyer (2016:396) identifies three

contributions of the economic studies of religion. First, they show how economic and statistical tools can be used to evaluate the role of religion in society; second, they continue to cast light on the economics of nonmarket behaviour illustrating the role that norms, values, social capital and spiritual capital may play in influencing human behaviours by affecting both beliefs and actions; and third, they show how culture more broadly, whether through religion or other kinds of cultural beliefs, affect economic systems. Others such as Friedman (2008), and Bowles (1995) note that economists should be concerned about the moral consequences of economic growth when dealing with issues of the economy of any country.

In all it could be argued that religion influences economic behaviours and economic systems, markets, and institutions while one's economic environment is also likely to influence one's beliefs, morals, and religious choices. What role then can religion play towards economic recovery in Nigeria? In the next section, I will discuss some religious values that if applied can facilitate economic growth in Nigeria.

### **Religious Values that can Promote Economic Recovery in Nigeria**

Religious values in this paper refer to what de Jong (2008:5-6) describes as values and norms taught and adhered to by members of a particular religion based on a Holy Scripture such as the Bible or Quran. There are innumerable religious values taught by the three major religions in Nigeria but for lack of space only four values namely: godliness and contentment, self-sacrifices, ethic of hard work and fear of ultimate judgment shall be discussed.

#### ***1. Godliness and contentment***

Godliness is the act of having reverence for God or the Supreme Being while contentment is the condition of being contented. The idea behind contentment is that of self-satisfaction with whatever one rightfully or lawfully owns rather than being notoriously insatiable with economic and material resources. It is arguable that a person who lacks the virtue of godliness and contentment would most assuredly abuse and mismanage economic and material resources put in his or her disposal. This explains why the Christian Bible sees one's possession of this particular religious value as a great gain (1 Tim. 6:6). The present economic woes in Nigeria which is majorly caused by high level of corruption points to the fact that a large proportion of citizens do not have the virtue of godliness and contentment. Thus, for economic recovery to take place in Nigeria, the virtue of

godliness and contentment should be taught and embraced by all citizens of the country.

## ***2. Self-Sacrifice***

Economic recovery in Nigeria would also require citizens to inculcate the virtue of self-sacrifice. Self-sacrifice connotes a phenomenon in which personal benefits are deliberately and decisively forgone for purpose of national interest and economic development. The importance of the virtue of self-sacrifice if inculcated by citizens is such that it would afford public office holders the opportunity to see their positions of responsibility as avenues for service rather than for accumulation of wealth to satisfy their personal desires. In this way, public office holders would be willing to make sacrifices for the common good of everyone. As Koko (2010:87) argues, self-sacrifice can help to create a society devoid of corruption, nepotism, bribery, antagonism, and insecurity and this could translate into economic recovery in Nigeria.

## ***3. Ethic of Hard Work***

Another religious value that is crucial for economic recovery in Nigeria is the ethic of hard work. The Christian Bible puts it clearly that “those who refused to work should not eat” (1Thes. 4:11-12 and 2 Thes. 3:10-12). By this the Christian Bible endorses the spirit of hard work and rejects in totality all forms of idleness. Regrettably, as Maxey and Ozodo (2017:96) observed, the high value for material success has taken over the center stage of Nigeria’s religiosity thereby displacing value for dignity of labour. Prior to independence, Nigeria arguably occupied a prominent place in the committee of nations because of her contributions to the world’s economy that was primarily based on agriculture. However, with the rise of the oil boom in the 1970s, Nigeria’s socio-economic landscape became drastically transformed and a culture of value for material possession overpowered the culture of the value for dignity of labour. Today, the culture of hard work has become a mirage in Nigeria. Desperation for quick money among the populace has become a normal phenomenon. The fact that the masses celebrate people who are wealthy over those who work hard has further worsen the situation. This in part accounts for the economic woes currently bedeviling the country. Therefore, for economic recovery to be achieved in Nigeria, there is need for citizens to embrace the ethic of hard work.

#### **4. Fear of Ultimate Judgment**

Finally, the fear of ultimate judgment is another cardinal religious virtue that can facilitate economic recovery in Nigeria. In fact, the three major religions in Nigeria namely African Traditional Religion (ATR), Islam and Christianity, all have teachings that anticipate an ultimate judgment in which the righteous shall be rewarded with heaven (paradise) and the immoral rewarded with hell (burning fire). The Christian Holy Bible in particular is replete with such instances of ultimate judgment (cf. Matt. 25:1ff; Rev. 21 and 22). The relevance of such teaching to economic recovery is that it has the tendency of provoking right actions and good morals in citizens which will eventually translate into economic development. This fact is well noted by Barro and McCleary (2003:773) and McCleary and Barro (2006:67) who in their survey on the influence of religion on economic activities observed that belief in hell potentially contributed to economic growth. This happens because while belief in heaven could motivate citizens to embrace good morals, the fear of hell would certainly constrain them from doing what is wrong. Therefore, the fear of ultimate judgment as a religious value if taught by religious leaders can facilitate economic recovery in Nigeria.

#### **Conclusion**

Throughout this paper, effort has been made to discuss the role of religion towards economic recovery and sustainability in Nigeria. It is argued that though Nigeria is endowed with abundant human and natural resources that can promote sustainable economic development, the country has been stagnated economically since independence due to mismanagement of her resources. This accounts for the current negative economic indices that placed Nigeria as the poverty capital of the world, country with the highest unemployment rate and one of the most corrupt in the globe. Overall, the paper argues that religion can reposition Nigeria towards economic recovery and sustainability through the teachings of core religious values such as: godliness and contentment, self-sacrifice, ethic of hard work and the fear of ultimate judgement. The paper therefore, recommends that these religious values should be taught to citizens irrespective of their religious affiliations so that economic recovery and sustainability can be achieved.

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