

# Religious Identity

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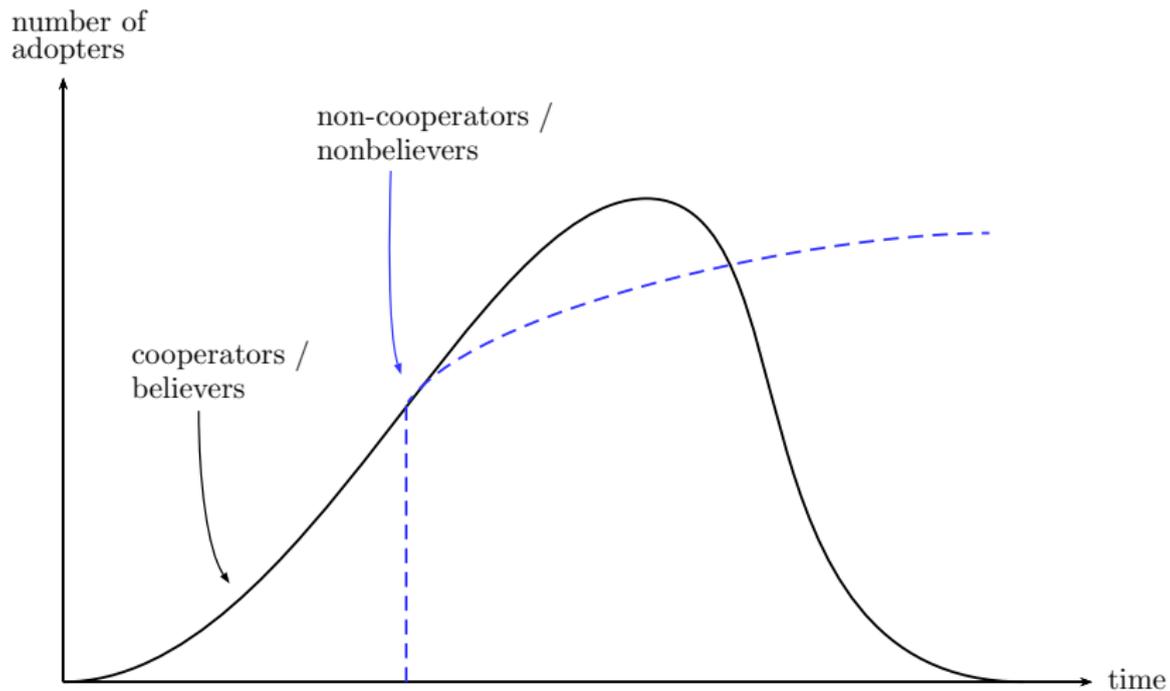
*One recent phenomenon incomprehensible to many observers of the Egyptian scene today is the visible presence of a new Egyptian woman: the young urban college student on her way to or from the university campus – carrying her books, wearing eye glasses, alone or in the chatting company of other college women, and completely “veiled” – face and body.*

El Guindi (1981)

# The Summer of Love 1967



# Invasion of Free-Riders



# Religious Clubs

*Iannaccone (1992 JPE)*

**Religious identity** involves stigmatizing forms of dress, speech, dietary and sexual practices:

1. **Selection:** screens out non-cooperators and non-believers,
2. **Treatment:** induces substitution from outside activity to group activity.

*Sum:* Solves collective incentive problems by segregating members from non-members.

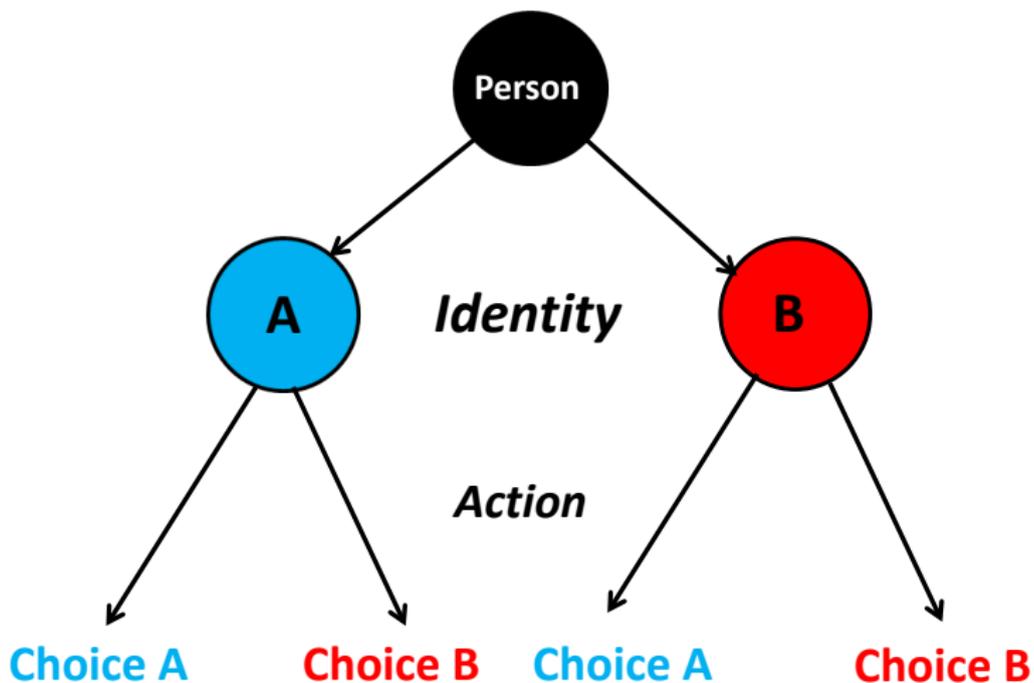
# Veiling

*Carvalho (2013 QJE)*

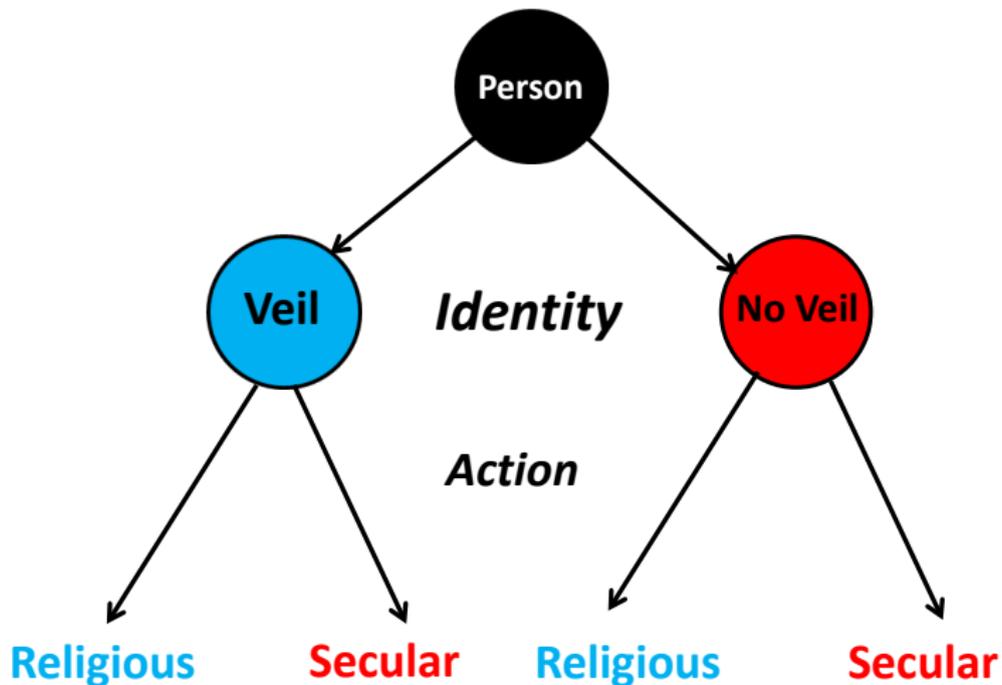


# The Economics of Identity

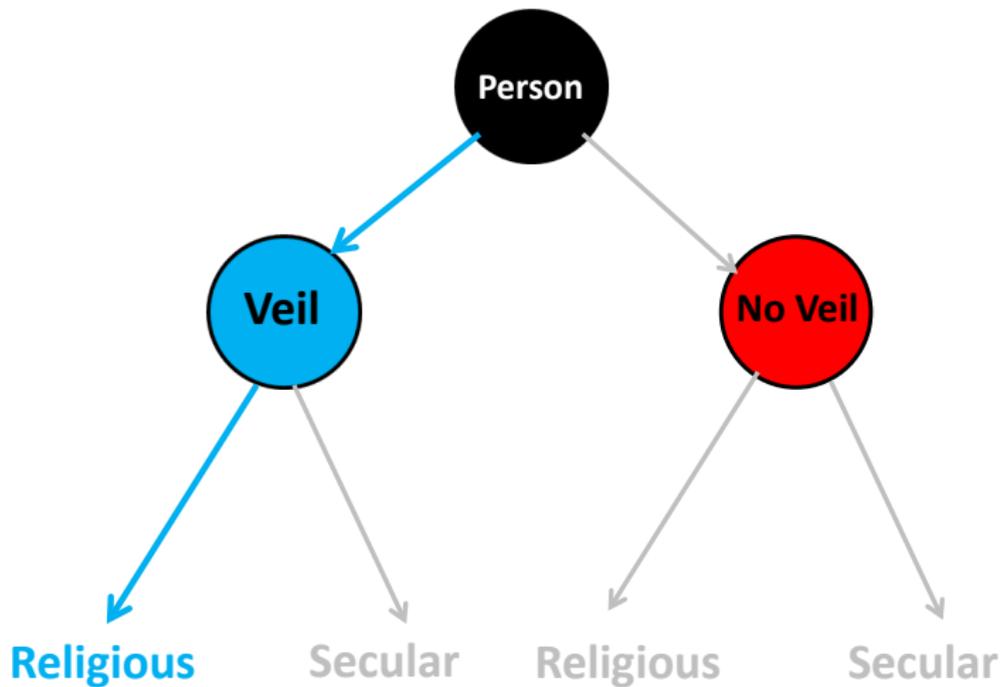
*Akerlof & Kranton (2000 QJE, 2010 PUP)*



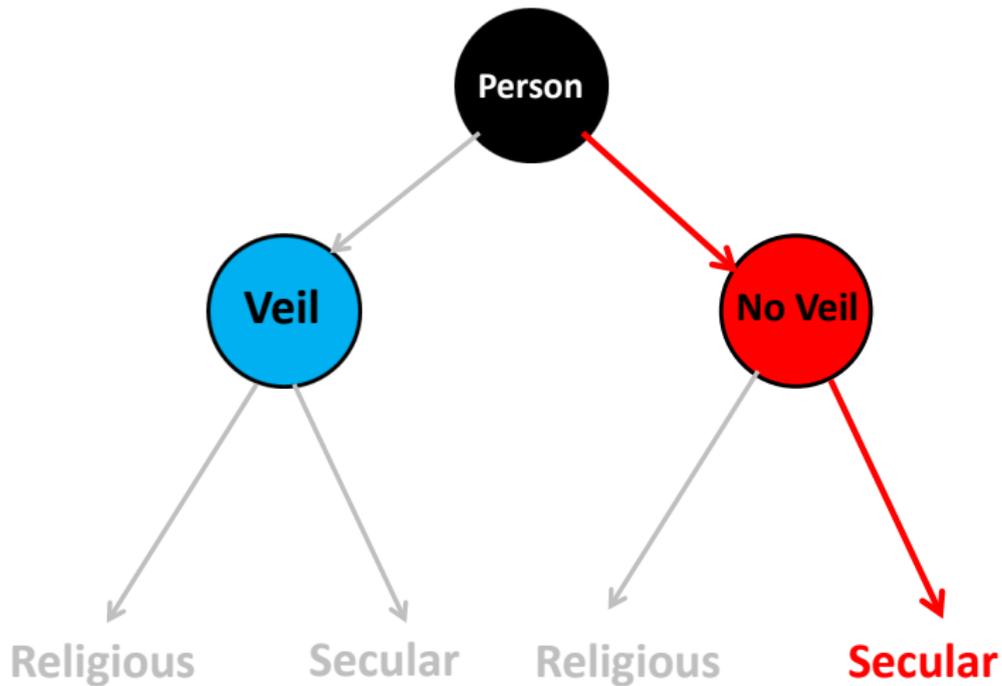
# Identity & Behavior



# Religious Identity $\longrightarrow$ Religious Behavior



# Secular Identity $\longrightarrow$ Secular Behavior



# A Theory of Veiling

*Carvalho (2013 QJE)*

- ▶ Veiling is a **commitment** to religious norms and a **signal** of this commitment.
- ▶ *Partial integration strategy*: balancing the desire for economic participation and community esteem.
- ▶ Banning veiling can increase segregation and religiosity.

*Evidence*: Religious women exhibit higher rates of veiling when they are more exposed to modern influences (Aksoy & Gambetta 2016).

# Back to the Economics of Religion

**Two domains:** economic and social.

- ▶ Veiling as a partial integration strategy requires stigma in the social but not economic domain.

It collapses if either:

- (a) Discrimination emerges in education or the labor market.
- (b) Veiling becomes 'normalized' in the social domain.