

## **SPIRITUAL CAPITAL IN COMPARATIVE PERSPECTIVE**

Peter L. Berger and Robert W. Hefner

Institute for the Study of Economic Culture, Institute on Religion and World Affairs,  
Boston University

For more than a century social scientists have grappled with the question of the role of religion and values in the creation of modern capitalism and democracy. Although it is only in the past twenty years that sociologists have begun to use the phrase “social capital” to describe religion’s role in these developments, the concept was implicit in the pioneering analyses of the great German theorist of modern economy and society, Max Weber. Influenced in his views of economic action by Austrian neoclassical economics, Weber believed that religion was *the* pivotal determinant of actors’ rationality and behavior. In his *The Protestant Ethic and the Spirit of Capitalism*, in particular, Weber argued that the values of independence, self-discipline, and inner-world asceticism nurtured by Protestant Christianity, especially its Calvinist variants, had played a central role in the development of modern European capitalism. Conversely, in his writings on religion and economic development in China, India, and the Muslim world, Weber argued that traditions indigenous to these regions had also created vast reserves of spiritual capital, but ones largely antithetical to the rationalities and achievements of modern capitalism.

However perspicacious Weber’s insights, recent developments suggest that the questions underlying his analyses are anything but settled. A comparative research program investigating spiritual capital in different civilizations remains a matter of central intellectual and policy importance. This urgency is all the greater in light of the fact that, contrary to the forecasts of modernization theorists a generation ago, the past twenty years have seen an unprecedented religious revival in much of the world. The Islamic resurgence in Muslim countries; the diffusion of evangelical Protestantism across Latin America, sub-Saharan Africa, Eastern Europe, and even China; the rise of a militant Hindu nationalism in India; and the growth of new varieties of congregational Buddhism in East and Southeast Asia – these and other developments show that modernist forecasts of religion’s demise were premature, to say the least.

Equally important, the recent course of global politics indicates that the spiritual capital engendered by these varied religious revivals differs, as do its implications for markets and democracy. These and other facts underscore the need for a sustained and cross-cultural investigation of spiritual capital. The remainder of this paper will outline the rationale for such a project in further detail.

### **MULTIPLE MODERNITIES, RIVAL RELIGIOSITIES**

Notwithstanding his achievement, two events underscore just why it is important to evaluate Weber’s conclusions critically and reexamine the relationship between spiritual capital, markets, and democratic life. The first development is that modern capitalism itself has changed since Weber’s time, in ways not anticipated in his analyses. Whereas the rationalized, self-denying, and accumulative values Weber identified with the Protestant ethic do indeed seem to be important for the early stages of development, they appear less central to the consumer-driven economies of the late industrial age. Certainly, hard work and thrift remain important for many tasks and professions, but modern economies as a whole have come to depend on greatly enhanced levels of consumption and the culturally constructed wants they imply. Similarly, although Weber had little to say about education, the shift in modern economies from simple

manufacturing to information- and knowledge-dependent industry has placed a cultural premium on higher education and learning. Here too, we know, religion's influence can be varied, since different traditions place different emphasis on individual learning and achievement.

The second event that underscores the need for a new research program on spiritual capital is that modern capitalism and market institutions have diffused to a broader portion of the non-Western world than Weber and many other Western theorists had thought possible. In part, this event has been made possible by non-Western populations' adoption of Western business organizations and values. In the aftermath of the Meiji restoration, for example, Japan's rulers launched an aggressive program of political and cultural modernization, involving, among other things, the importation of Western institutions of government, education, and business.

Although it remains one of the most successful examples of state-sponsored modernization, the Japanese example also shows that the dynamics of this process involved more than the transfer of already built-up knowledge and technology into an otherwise passive society. In particular, the success of the cultural transfer depended on the efforts of Japan's political elite, who adapted the values of discipline, obedience, and group solidarity once associated with the samurai to new programs of industrialization and nation-building. Rather than simple Westernization, then, Japan's modernization blended Western values and organizations with an indigenous cultural capital, one that, among other things, placed more emphasis on groupist solidarity and cooperation than its counterpart in the West.

Since the 1970s, Japanese society has experienced far-reaching changes, many of which have challenged the groupist heritage. The country has also seen the proliferation of syncretistic "new religions," as well as new, congregational variants of Shinto and Buddhism. Rather than a bulldozing Westernization, then, modernization in Japan has given rise to a distinctive Japanese spirituality and modernity.

The overseas Chinese in Taiwan and Southeast Asia have also succeeded at creating a modern capitalist economy that blends elements of Western capitalism with distinctly Chinese forms of spiritual capital. Weber had suggested that the "magical garden" of Chinese religion and the patrimonial nature of Chinese government made it unlikely that Chinese society could make the transition to a modern political-economy. In retrospect, Weber's observations on Chinese governance ring true, and it was only as a result of the state's reconstruction along modern bureaucratic lines that government in Chinese societies has become a facilitator rather than an obstacle to modernization.

On matters of religious and economic life, however, the situation in Chinese societies has been more complex, involving a fusion of Chinese and Western social forms. Whereas, as Weber showed, capitalism in the West developed in conjunction with a legal system capable of enforcing contracts, business development among overseas Chinese has relied little on courts or legal controls. The radius of trust required for economic cooperation has instead been maintained through a combination of vertical family ties and horizontal networks of friendship and solidarity, referred to as *guanxi*. Together these non-governmental networks have provided the trust and information-flow on which efficient markets depend.

In religion, too, overseas Chinese societies have recently seen an efflorescence of activity, marked above all by the expansion of old religious traditions and the emergence of others entirely new. New religious activities have included conversion to Christianity, new forms of congregational Buddhism, neo-Confucian revivalism, and individualistic ghost cults. Although varied in their respective spiritual capital, the new varieties of Chinese religion have all responded to the twin challenges of the marketplace and life in a post-traditional, mass-society.

## VARIETIES OF SPIRITUAL CAPITAL

Examples of religious revival can be multiplied from around the world. However, for the purposes of the present discussion, one case deserves special mention, since it so vividly demonstrates that the spiritual capital generated by different religious traditions varies in its political and economic effects. The example in question is the Muslim world.

Prior to the 1960s, the majority of Muslims were casual about their profession of faith, and secular-nationalist or socialist regimes dominated most countries' political landscape. During the 1970s and 1980s, however, the Muslim world witnessed a steady increase in mosque construction, religious education, pilgrimage to Mecca, and Islamic publishing. The groundwork for some of these changes had been unwittingly laid in the 1950s and early 1960s, when secular nationalist governments set up programs of mass education. These initiatives created the first generation of Muslim youth with near-universal literacy skills. (Poor Muslim countries like Afghanistan and Pakistan were not party to this literacy revolution). Some among the newly-educated applied their reading skills to economic and secular ends, but others used them to deepen their knowledge of Islam. One striking indicator of this development was that, in just a handful of years, a vast new market in inexpensive Islamic books and magazines came into existence across the Muslim world. The literature provided a means for people who had never had an opportunity to study in *madrasas* to familiarize themselves with the fundamentals of their faith and to assert their right to interpret the faith on their own terms. Religious authority in the Muslim community was quickly and quite radically pluralized.

The religious resurgence also benefited from a basic demographic shift. From the 1960s to today, the proportion of the population living in cities and towns grew exponentially across the Muslim world. The urbanization converged with new forms of mass marketing and consumption to make the inequalities of mass society far more glaring. Meanwhile, the slums of Cairo, Lahore, Dacca, and Jakarta saw a remarkable expansion in the number of mosques and *madrasas*. Local centers of study and worship came to serve as a point of reference and association for the urban poor and lower-middle class. In sum, the resurgence created vast networks of association and trust, all part of a spiritual capital dedicated above all to the production of pious Muslims.

### **A Theoretical Aside: What Is Spiritual Capital?**

The Islamic example raises an important theoretical question concerning how we are to understand spiritual capital, and a brief aside is merited here. Recent discussions of social capital have defined the concept in different ways, not all of them compatible. The most common characterizations, however, build on the work of Pierre Bourdieu and James Coleman in sociology and Gary Becker in economics. In its sociological version, social capital refers to “the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition—or in other words, to membership in a group” (Bourdieu and Waquant 1992:119). In other words, social capital refers to the power, influence, knowledge, and dispositions an individual acquires by virtue of membership in a network or group. Spiritual capital might be thought of as a sub-species of social capital, referring to the power, influence, knowledge, and dispositions created by participation in a particular religious tradition.

A key issue on which scholars have disagreed concerns whether the spiritual capital created by religious associations is always compatible with democracy and market freedoms. De Tocqueville's (1969) famous study of democracy in nineteenth century America is often cited as evidence in the affirmative, since de Tocqueville viewed American churches as locally-based institutions that nurture "habits of the heart" compatible with democratic life. In an important study, Robert Putnam (1993) applied this same insight to civic associations in modern Italy. Other writers, however, have been reluctant to extend this relatively optimistic generalization to all forms of spiritual capital. They point out that for an association to generate social capital for democratization, it must instill open and inclusive attitudes, whereas some religious associations and some forms of spiritual capital encourage closure and exclusion. Similarly, for spiritual capital to be conducive to market activity, it must create networks and values that work with rather than against the trust and collaboration of the marketplace.

The issues at question in this debate are important, not least of all for a research program aiming to examine the varieties of spiritual capital operative in the world today. Whether religious or otherwise, associations are not created equal in their impact on political and economic life. To state the matter more theoretically, the simple structural fact of participating in a religious or other "civic" associations does not guarantee that the spiritual capital generated by that association is democracy- or market-friendly. In assessing the impact of spiritual capital on political or economic life, then, we have to go beyond the mere presence of spiritual capital and examine the specific values its promotes and the ends to which its associated networks are put.

### **Spiritual Capital and the Islamic Resurgence**

In the case of the Muslim world, this theoretical aside helps to highlight some of the ambiguities surrounding the contemporary Islamic resurgence. Three points stand out. The first point is that, measured in terms of its scope and density, the Islamic resurgence was a social event of historically unprecedented proportions, one that represented a great increase in the spiritual capital dedicated to religious education and expression.

The second observation is equally important, although often overlooked in post 9-11 discussions of Islam. It is that in its early years the resurgence was neither particularly anti-democratic nor anti-capitalist. In most countries, the great majority of resurgents were interested in just what they claimed: heightening public devotion, affirming an identity as Muslim, and asserting the relevance of Islam for modern life. The key symbols and practices of the resurgence were not political but pietistic: learning to read Arabic, reciting the Qur'an, wearing the veil (for women), keeping the annual fast, and otherwise giving an Islamic hue to daily life.

The third observation, however, raises more sobering issues for any reflection on spiritual capital. It is that, in light of the scale and energy of the resurgence, it was perhaps inevitable that at some point certain individuals and groups would attempt to exploit it for political ends. The resurgence created new solidarities and networks in societies with serious political problems and few avenues for citizen participation. Just as Christian leaders played an important role in mid-nineteenth century American politics and Hindu revivalists are active in India today, religious entrepreneurs in Muslim societies sought to channel the resurgence's spiritual capital into explicitly political projects. One cannot stress too strongly, however, that the ambitions of this politicized Islam have been anything but uniform. Some among the resurgents have insisted that Islam's spiritual capital is compatible with democracy and modern markets. But others have

responded to the crises of state and civil society in much of the Islamic world by calling for a democracy-denying and economically-stifling fusion of religion and state.

The Islamic resurgence offers two general lessons for any comparative reflection on spiritual capital. First, it demonstrates that the political and economic consequences of an expansion in spiritual capital can be varied – sometimes democracy- and market-friendly, other times not. Second, the Islamic example indicates that, rather than attributing a single form of spiritual capital to a particular religion, as Weber did, we should recognize that there are competing varieties of spiritual capital operative *within* each religion or civilization. The future of modern democracy and capitalism will be as much determined by the outcome of rivalries among the bearers of different forms of spiritual capital in the same society as it will any clash of civilizations.

### **SPIRITUAL CAPITAL IN COMPARATIVE PERSPECTIVE: A RESEARCH AGENDA**

In light of the ubiquitousness of the religious revival, and in light of the varieties of spiritual capital it creates, it is important that any study of spiritual capital include an empirical and comparative examination of its organizations, meanings, and impact. Whether in the Muslim world, Hindu-nationalist India, Latin America, or sub-Saharan Africa, religious resurgence has created rival visions of religious community, and reserves of spiritual capital with quite different implications for markets and democracy. The outcome of the rivalry among different carriers of spiritual capital in each of the world's major religious traditions is likely to be one of the defining events of the twenty-first century.

Since its founding in 1986, the Institute for the Study of Economic Culture (ISEC) at Boston University has been dedicated to the investigation of the role of religion and spiritual capital in modern capitalism, politics, and social life. In collaboration with a network of colleagues and research associates in Europe, Latin America, South Asia, Southeast Asia, and East Asia, ISEC has sponsored more than 80 research projects on these topics.

Against this background, ISEC proposes that the Templeton Foundation undertake a comparative study of spiritual capital across cultures. The project would draw on ISEC's already existing network of researchers around the world to examine the forms, meanings, and political-economic consequences of spiritual capital in seven world areas:

- Latin America, with special attention to the rivalry between evangelical Protestantism and Roman Catholicism;
- sub-Saharan Africa, with special attention to zones of interaction and competition between Muslims and Christians;
- the Muslim world, comparing the (relatively speaking) economically stagnant Arab core with the more dynamic Muslim communities of South and Southeast Asia;
- India, examining the implications of the spiritual capital created by the Hindu resurgence for pluralist democracy and the booming market economy;
- overseas Chinese, focusing on the relationship between new forms of spiritual capital and Chinese business activity;
- Russia and eastern Europe, comparing the spiritual capital generated by a resurgent orthodox Christianity with that of other new religious movements, including evangelical Protestantism; and

-- Western Europe, focusing on the tensions between established religious traditions and the secularity of public life.

Having conducted research projects in these regions over the past seventeen years, ISEC has a network of colleagues and research teams already in place with proven experience in the study of markets, democracy, and spiritual capital. Their skills can be brought to bear on what is, from a policy perspective, the most urgent question at the heart of the concept of spiritual capital: the varieties of spiritual capital, and their implications for market dynamism and democratic freedom.