One of the most useful contributions of rational choice theories to the sociology of religion has been the concept of the religious economy. However, this study argues that the rational choice view of the religious economy still suffers from serious shortcomings. Here, I argue that the concept of rationality in economic action is more complex than rational choice theorists generally recognize. Part of this complexity involves the multi-dimensional nature of the concept and part of it involves the fact that degrees of rationality in individual actions must be understood in relation to collective actions and contexts. One of the consequences of the underdeveloped understanding of rationality is that theorists have tended to gloss over the processes by which individuals and groups make decisions that create demands for specific types of religious goods. I attempt to approach these problems by describing the dimensions of rationality, by describing the relations between rationality at the individual level and at aggregate levels, and by providing a schematization to suggest how supply of religious goods and demand for them interact at individual and collective levels.

The rational choice approach to religion has become increasingly influential over the course of the past decade, and it has been a source of substantial controversy (Sherkat and Ellison 1999; Williams 2000). Perhaps the most useful contribution of this approach to the study of religion has been the idea of the religious economy, an idea that has provided the basis for a “new paradigm” in the sociology of religion (Iannaccone 1992; Warner 1993). While the rational choice idea of the religious economy has made valuable contributions to the sociology of religion, the notion of rationality employed by its proponents is still theoretically under-developed and it is generally used with little precision. Closer analysis of this notion can yield a better model of how religion can be said to function as an economy, and it can demonstrate more clearly how an economic perspective may explain religious behavior without imputing a uniform rationality to all action.

Rational choice theory, also called rational action theory, is a theoretical model developed to account for the ways in which the actions of individuals yield aggregate consequences (Coleman 1990; Coleman and Farraro 1992; Hedström 1993; Hechter and Kanazawa 1997; Zafirovsky 1999). In this essay, I will concentrate on two fundamental problems for rational choice views of religion that are implicit in this theoretical model. First, if one says that religious, beliefs, actions, and associations are consequences of the rational choices of individuals, one must define rationality clearly, in a manner that is not tautologous and that takes into consideration the varying uses of the term. Second, one needs to be clear about the connection between individual choices and aggregate social phenomena. Religion, like other institutions, does not simply involve individuals making choices among a range of
commodities. It entails individuals becoming parts of social aggregates that have goals and internal patterns of organization of their own and that shape both the choices and the goals of the individuals. Therefore, after I examine the concept of rationality and attempt to present a plausible definition, I consider how rationality and the individual level may be connected to rationality as a collective phenomenon. Finally, I attempt to make clear the relevance of my re-conceptualization by discussing how rationality, as I have defined it at both the individual and the collective levels, may be related to the idea of the religious economy.

**RATIONality DEFINED: A MULTI-DIMENSIONAL CONCEPT**

Rational choice explanations of religion often tend to offer rather brief definitions of rationality. This is troubling because the term is one that is often used in different ways, although in ways that are generally related. One of the most fundamental characteristics of rationality is its teleological or goal-oriented character. Traditionalism in the Weberian sense is not rational, in part because traditional ways of thinking and behaving are produced by patterns received from the past, rather than by consideration of goals (Weber [1922] 1978). Along these lines, Sherkat (1998) has found that traditional socialization factors are predominant influences on contemporary religious beliefs and practices.

The teleological character of rationality is the trait most often identified by rational choice theorists of religion (Boudon 1998) and it is often taken by these theorists as the defining, or even the only trait. Stark and Bainbridge (1987:113) proclaim that “rationality is marked by consistent goal-oriented activity.” While socialization is undoubtedly an important influence on religious attachments, these attachments cannot be reduced to socialization alone. Explaining human phenomena, including religion, as oriented toward goals can be seen as a useful response to what Wrong (1961) has termed the “oversocialized” concept of human nature, and it makes the valid point that, whatever one’s ultimate position on freedom of will, in practical terms we cannot effectively understand human actions by portraying human beings as automata, since this would make it extremely difficult to account for changes in individual and collective behavior (Spickard 1998).

A second trait, an ordered procedure for obtaining the end, is implicit in the intentionality of rationality. An algorithm, a form of logic has to guide an actor or decision-maker to the goal. Syllogistic reasoning is the classic form of logic, but contemporary rational choice theorists are more likely to emphasize the cost-benefit analysis, which incorporates syllogistic reasoning to compare the efficiency of means in achieving ends.

If \((a_i \rightarrow E)\) represents a numerical value of a strength of the relationship between a given act and a desired end (the syllogistic connection of the two), then we can qualify this numerical value by dividing it by the cost (in effort or foregone opportunities) of the act. Since, under most situations, a desired end can be achieved by means other than \(a_1, (a_2, a_3, a_4 \ldots)\), we need to compare means of achieving goals to one another, with the value of each means-goal association qualified by the costs of the means.

\[
\frac{(a_i \rightarrow E)/c(a_i)}{\sum_{i=1}^{n}(a_i \rightarrow E)/c(a_i)}
\]
When \( a_i \) yields a greater value in this equation than any alternative, then the greatest gain has been achieved at the least cost, an outcome frequently identified with rationality (Becker 1975; 1976; 1996; Coleman and Farraro 1992). If the possible range of acts is constrained by imperfect information or understanding (as De Palma, Myers, and Papageorgiou 1994 have found), then this model can still work within the specified constraints: the number and identity of \( a_i \) will simply be limited (Bohman 1992). Indeed, since rational choice theory specifies that individual actions vary because of differing opportunity structures (Coleman 1993), we can classify limitations of information as part of any available opportunity structure. More seriously, in actual outcomes, the maximum possible value yielded by the equation cannot be identified, either by actors or observers, and actors will often settle for less than optimization. For this reason, many rational choice theorists, including rational choice theorists of religion (Stark and Finke 2000), have leaned toward Herbert Simon's (1957) versions of means-end associations. In one version, Simon suggests that actors engage in “satisficing” rather than maximizing outcomes. The problem with this suggestion is that any subjectively acceptable result can be said to “satisfice,” meaning that all goal-related behavior can be seen as equally rational, regardless of the amount or effectiveness of calculation involved. Rationality then contains only two values, “0” and “1,” and for those who explain all human behavior in terms of goals, the second value is extended to all cases. In another version, preferred by Stark and Finke (2000), Simon (1957) suggested that individuals engage in “subjective rationality.” Once again, however, this seems to reduce all action to a dichotomous measure of rationality, on which actions all tend to receive the same value.

Reacting to earlier perspectives that characterized religion as irrational, compared to science or other endeavors, Stark and Bainbridge (1985; 1987), Stark and Finke (2000), and Stark (1996) portray religion as just as rational as these other endeavors. Further, all religious commitments and behaviors are presented as possessing the quality of rationality, including extreme acts of asceticism and martyrdom (see, particularly, Stark 1996). As Boudon (1998) has remarked, one way in which rational choice theorists can deal with apparently non-instrumental behavior is by positing a deeper level of instrumentalism. This, however, raises as many difficulties as it solves.

There is something unsettling about a model of rationality that implicitly places the Summa Theologica of St. Thomas Acquinas on a par with the pillar-sitting of St. Simeon Stylites. Further, a theory that essentially develops a dichotomous variable and then assigns all cases a value of “1” does not lend itself to any kind of verification. In order to meaningfully think of religious behavior as rational, then, a theorist must admit some degree of non-rationality into the evaluation of the behavior. The act in which an individual engages may have a value lower than the highest value yielded by the equation above. This may be because tradition outweighs calculation in the choice of behavior, or because the behavior is not determined by calculation at all, but by emotion (Scheff 1992).

One can see a given act or belief as “rational,” then, to the extent that it is characterized by conscious choice to achieve a goal (as opposed to acceptance of tradition) and to the extent that the act or belief involves systematic calculation to achieve the goal. Readers may note, though, that these first two dimensions involve actions or beliefs directed toward single goals. All individuals, though, have multiple goals. They desire material goods, social status, and even benefits that “are so beyond direct, this-worldly satisfaction that only the gods can provide them” (Stark and Bainbridge 1985).
Heath (1976:79) makes a simplistic and erroneous claim when he states that “rationality has nothing to do with . . . goals.” This overlooks the fact that goals rarely, if ever, stand in isolation from other goals. Every end is connected to other ends, and these may be consistent or inconsistent. The rationality of an end, then, is the degree to which it contributes to other desired ends. It follows that to determine the rationality of an individual’s behavior, we need to know not only the strength of the relationship between a specific act and a specific end, but also the strength of the relationship between that end and other ends.

Since individuals desire multiple ends, they may desire ends that are inconsistent with each other. Piker (1972) offers an interesting example of the problem of consistency in Thai religion. The Buddhist belief in Kamma (Karma, in Sanskrit), in which one receives good or evil as a consequence of good or bad actions, seems to contradict the widespread belief in magically efficacious amulets among Thai Buddhists. We might note, though, that these believers attempt to rationalize their beliefs; they attempt to come up with explanations that make apparently contradictory beliefs consistent. Piker (1972:24) suggests that these uneasily juggled articles of faith should be understood in terms of coherence, defined as “the conviction—however arrived at, however supported—that one’s guiding beliefs are true,” but consistency is still a problem to the extent that adherents consciously consider their varying beliefs. When Piker asked Thai Buddhists about magic and moral causation, they did not simply shrug off his questions. Instead, they attempted to make their beliefs “rational” by creating lines of reasoning aimed at consistency.

One continuing problem of multiple goals is that short-term goals may conflict with long-term goals. The short-term rationality of smoking a cigarette to satisfy a craving for nicotine generally has a negative relationship to the long-term goal of avoiding an agonizing death from lung cancer (see Ainslie 1975). In religion, even more enticing physical pleasures than smoking may endanger opportunities for salvation.

I am arguing, then, that rationality consists of at least three major dimensions: teleology, systematization of means, and consistency among goals. On all three dimensions, human actions can be interpreted in terms of degrees. Thoughts and behavior may be directed toward achieving goals, but they are also products of socialization. Calculation aimed at goals is generally present in human affairs, but it an be lessened by lack of clarity about ends, emotional excitement, and other influences. Individuals will hold some goals that contradict others.

I will argue below that recognizing the multi-dimensional character of rationality does not undermine the primary arguments of the religious economy model. On the contrary, it provides a basis for pointing out the similarities between religious goods and other sorts of goods. Purchases of commodities can involve habit, impulse buying, and conflicting desires. However, neither religion nor the social venues customarily thought of as markets can be understood by reference to individual processes alone. Understanding the role of rational choice in religion necessitates a consideration of the connection between individual and collective rationality.

**INDIVIDUAL AND COLLECTIVE RATIONALITY**

At the aggregate as well as at the individual level, social behavior can possess degrees of rationality on all three dimensions. Although structural-functionalist thought, following Parsons (1949), tends to present all social structures as goal-oriented, social phenomena can be consciously directed toward achieving goals to different degrees. For example, Cole-
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man (1993:7) maintained that modern societies had undergone a rationalization, which he described as a shift away from primordial social organization, built chiefly on the inherited institution of the family, and toward "purposively constructed corporate actors."

Although it may be maintained that religious organizations in general are oriented toward goals, such as obtaining the favor of the gods or salvation for adherents, they differ in the extent to which they are purposively constructed. The intentional decision to form a religious community, for example, is one of the characteristics that Warner (1994; 1998a; 1998b) has described as the "de facto congregationalism" of many immigrant religious groups in the United States. In the home countries of many immigrants, according to Warner, religious groupings were often based on place of residence or historical heritage.

One of the interesting implications of acknowledging intentional purposiveness as a dimension of collective as well as individual rationality is the implication, found in the above-cited works of Warner, that complex, urban societies can be both more rational on this dimension and more religious than rural societies. The conscious construction of religious groups and organizations for shared ends can intensify commitment and participation, a point that is consistent with the findings of Finke and Stark (1988) and Finke, Guest, and Stark (1996).

Aggregated social behavior can also possess degrees of systematic processes of optimization of goal achievement, in the sense of means explicitly organized according to rules for the efficient realization of group outcomes. As Weber ([1922] 1978:987) observed, "bureaucracy is the means of transforming social action into rationally organized action." Coleman (1993), in the article cited above, takes a Weberian view of the rationalization of society as systematization. To the extent that social action is guided toward specified ends by well-defined and well-coordinated social structures, we can consider the action rationalized on the second dimension.

The less a social group is organized toward achieving clearly identified goals, the less rational it is. Tradition may dominate groups, as well as individuals, to varying degrees. In addition, there are clear aggregate equivalents to non-calculated emotional reactions by individuals. Scheff (1992:102) points out that "stock market panics, famines, and wars often begin with impulsive, unaware, and/or out of control behavior." Less catastrophic outcomes, such as unpredictably sky-rocketing demands for scooters or furbies can result from non-rational trend behavior (Ormerod 1998; Thaler 1991; 2000).

Collective rationality may also be a matter of consistency among ends. Groups and organizations, as well as individuals, often have multiple goals and these goals are frequently in conflict. This may be a particularly important point in the sociology of religion because religious organizations are generally justified on the basis of their pursuit of supernatural goals, but maintaining and promoting organizations tends to commit them to secular goals. Thus, Spinoza, in an epistolary debate on the spiritual authority of the Catholic Church, "readily grants that it is singularly well-organized for power and profit" (Israel 2001:227). Stark and Bainbridge (1985) have seen this tendency toward the secularization (the pull away from spiritual goals) as a central part of the dynamic of religious organizations, since this form of secularization drives the formation of new, highly committed religious groups.

Multiple goals have also been a key issue in another use of the word "secularization," in secularization theory, the view that pluralistic societies, which incorporate numerous collective goals, tend to move away from religious belief. Berger (1969) in the past argued that modernization tended to lead to general secularization. More recently, Berger (1997)
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has abandoned this view, acknowledging the continuing prevalence of religion in modern
societies. However, I think secularization theorists may have been correct in arguing that
there are many aspects of modern society that are inconsistent with collective supernatural
goals. The problem of secularization theory may lie in the overly facile notion that grow-
ing inconsistency between secular and supernatural goals necessarily leads to the aban-
donment of the latter. Instead, as I will argue in greater detail in looking at the religious
marketplace, inconsistency can introduce an element of irrationality into the market of ideas
that can actually lead to proliferation.

If one can use the word “rational” in similar ways when talking about individual and
aggregate levels, one must be careful to avoid implying that these two levels are the same.
While aggregate phenomena emerge from the decisions of individuals, the rational choic-
es of individuals do not necessarily result in the rational organization of groups or societies.
Just as individual behavior can be rational in the short run and irrational in the long run,
behavior can be rational for individuals and irrational for groups, in the sense that imme-
diate individual goals may be at odds with shared goals. Frank (1999) has discussed how
individual efforts to maximize competitiveness in the job market can shift funds from invest-
ment to consumption and diminish ultimate collective productivity.

We can, in general, represent the relationship between cumulative individual decisions
and collective outcomes as:

\[
\sum_{i=1}^{n} \frac{(a_i - E)/c(a_i)}{n} + \sum_{i=1}^{n} \frac{(a_i - E)/c(a_i)}{n} + \sum_{i=1}^{n} \frac{(a_i - E)/c(a_i)}{n} \rightarrow E_c
\]

where \( E_c \) represents the collective outcome, and the ratios represent the rationality value of
each individual decision. Now, it is possible that \( E_c \) can have a high value (i.e., a high degree
of desirability as a goal), even when the sum of the individual-level ratios is low. Individ-
uals can be socialized to sacrifice their own interests for the common good, for example.
Further, widespread acceptance of religious authority on the basis of tradition alone can
conceivably contribute to social order. It is also possible that the sum of individual-level
ratios can be high, while \( E_c \) is low. This would be the case when the pursuit of individual
goals is at variance with a collective goal.

With regard to rational choice theories of religion, this means that religious choices can
be collectively irrational (i.e., inconsistent with desired outcomes) even if they are indi-
vidually rational, as well as individually irrational (or non-rational) and collectively ration-
al. Even if Christianity contributed to the goals of individuals (as Stark 1996, maintains),
we can still see it as destructive to Roman society, à la Edward Gibbon. While many con-
temporary historians would be reluctant to see the Roman Empire “falling” due to the tri-
umph of Christianity and barbarism, it is still plausible to interpret the spread of Christianity
as part of a ruling class withdrawal from the civic and familial obligations of public life
(Brown 1988). Whether we see a particular religious phenomenon as rational or not, then,
depends on whether we are seeing it in terms of individual or collective goals and on the
association between individual and collective goals in a specific situation.
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Both aggregate goals and individual pursuits of ends are consequences of the ways in which individual choices affect and are affected by each other. The calculations that individuals make are based on the kinds of calculations they see others making. Whatever the supernatural or secular goal realization value of Christianity, for Romans or for Roman society, as it became a more widespread religion and then the dominant religion of the empire, people in the Third and Fourth Century Mediterranean world became more likely to choose Christianity as a solution to their social and spiritual problems. In somewhat simplified manner, this can be represented in the following terms:

Equation 3.

\[
\begin{align*}
\frac{(a_i - E)}{c(a_i)} & \rightarrow \frac{(a_i - E)}{c(a_i)} & \rightarrow \frac{(a_i - E)}{c(a_i)} & \rightarrow \cdots \rightarrow E_c \\
\sum_{i=1}^{n} (a_i - E)/c(a_i) & \rightarrow \sum_{i=1}^{n} (a_i - E)/c(a_i) & \rightarrow \sum_{i=1}^{n} (a_i - E)/c(a_i)
\end{align*}
\]

The rationalization of society, in the sense meant by Coleman (1993), can be understood as the establishment of a pattern of correlations among individuals, so that the intentional decision-making of individuals increases in value, resulting in an overall orientation toward teleological behavior. Of course, the associations of individual decisions should not be understood as a linear chain, but as a structured pattern. Moreover, the increase in rationality simply means that individual decisions are more closely linked to the outcome. It does not mean that the outcome is the best possible for the group. Coleman (1993) explicitly suggested that favorable outcomes may sometimes be the consequences of primordial social organizations, characterized by relatively low intentionality.

Further, the amount of variation in individual goal-seeking can be connected to collective ends. Heckathorn (1993) has argued that within-group heterogeneity can contribute to collective action when the action’s success is most problematic, such as when the temptation to free-ride is great or when the benefits of contributing are uncertain. Heckathorn maintains, however, that group heterogeneity impedes collective action when social cooperation is least problematic. If we take group heterogeneity to mean variation in interests (goals), then we can see collective ends as related in varying ways to the standard deviation in means-goal associations, as well as to their sums. There is, then, yet another way in which individual goal-seeking may result in collective goals:

Equation 4.

\[
\sigma \frac{(a_i - E)}{c(a_i)} , \frac{(a_i - E)}{c(a_i)} , \frac{(a_i - E)}{c(a_i)} \rightarrow E_c
\]

\[
\frac{n}{\sum_{i=1}^{n} (a_i - E)/c(a_i)} , \frac{n}{\sum_{i=1}^{n} (a_i - E)/c(a_i)} , \frac{n}{\sum_{i=1}^{n} (a_i - E)/c(a_i)} \rightarrow E_c
\]

My discussion to this point suggests that the term “rational choice” is actually a much more complex concept than is generally recognized. I have argued that using the term in a
meaningful fashion entails recognizing its multi-dimensional character and recognizing the
target that rationality is a matter of degree on all dimensions. In addition, I have maintained
that rationality is frequently used to describe both individual and aggregate phenomena.
Further, I have attempted to show the variable nature of the relationship between individ-
ual decisions with degrees of rationality and aggregate outcomes. This is a critical point,
since one of the goals of rational choice theory is to explain how social aggregates emerge
from individual decisions. However, the issue of how and why the cumulation, organiza-
tion, and heterogeneity of individual decisions vary in their associations with collective
outcomes remains open. In the following section, I will argue that the value of an economic
model of religious behavior does not lie in a tautologous assumption that all religion is
rational. Instead, I will argue that an economic model can help us understand how and why
the systematic intentionality of individual decisions is related to collective outcomes in dif-
fering ways in different situations.

RATIONALITY AND THE RELIGIOUS MARKET

The Problem of Contexts

The analysis of the concept of rationality that I have laid out above raises the following
questions about rational choice in religion: In what ways do individual religious decisions
vary in degrees of goal orientation, systematic means of achieving goals, and consistency
among goals? How are variations among individual decisions related to aggregate differ-
ences in explicit goal attainment as a basis for group existence, the organization of groups
for the attainment of ends, and to variety among goals? The first step to approaching these
difficult questions involves recognizing how aggregate entities function as both contexts
and corporate actors and how individual actors operate within various levels of contexts.

A number of authors have recognized the importance of seeing the rationality of behav-
ior in terms of social contexts (Ellison and Sherkat 1995; Granovetter 1985; 1993; Sherkat
1997; Sherkat and Wilson 1995). More generally, Victor Nee (1998) has seen “context-
bound rationality” as a key characteristic of what he terms the new institutionalism in soci-
ology, and his description of this new institutionalism can provide a useful way of approaching
the problem of rationality in individual and collective life. As Nee and Ingram (1998) see
it, contexts are not imposed from without by a social structure external to the interactions
of individuals, but arise from those interactions by means of norms.

One can create a framework for thinking about economic behavior, and about religions
as economies, by adapting a version of Nee and Ingram’s schematization of contextual
embeddedness. I lay out this version of contextual effects and actors in Figure 1.

Since I will be discussing this below in terms of an economy, I refer to the broadest con-
ceptual level as the market environment. This level describes the macroeconomic and
macrosociological setting of social behavior, within which both collective and individual
actors exist. It includes such features as technological capacities, the tools available for
social interaction; social and political structures, the institutional frameworks for social
exchanges; and stability, the conditions that shape expectations about the future.

The level of the market environment can be illustrated by Stark’s (1996) account of the
spread of early Christianity. Without the technology of literacy and without the roads and
Mediterranean maritime transportation connecting the parts of the Roman Empire, it is dif-
ficult to see how widespread conversion could take place or how some standard of ortho-
doxy could be established. In Stark’s account, moreover, the sociopolitical system of the
Empire played a critical part in the rise of Christianity, since the existence of relatively privileged social classes in cities provided a source of potential converts. Expectations about the future, in the form of plagues and economic and political instability, also affected religious decisions.

Within this setting, formally organized corporate actors took various shapes and made and carried out decisions. The Roman bureaucracy came into existence as an agent in the context of the Empire and enacted persecutions or maintained periods of relative tolerance. The Christian Church, as an organization, gradually emerged and became a part of life in the Mediterranean world.

Formal organizations responded to a changing setting. The bureaucracy of the Empire was made possible by its political and social hierarchy and by the interconnections of communication and transformation. This bureaucracy may have been re-shaped in the era of Diocletian (245-313 C.E.) as a response to changes in the economic and political environment of the Empire (Barnes 1982; Williams, 1985). However, the functioning of the bureaucracy and other political structures also resulted from the interconnections of individuals, from the kinds of personal and family ties that Coleman (1993) referred to in the article discussed above.
Market environments provide contexts for formal organizations and those environments are shaped by the actions of formal organizations. Similarly, organizations are both contexts for informal associations of individuals and result from those informal associations. The structures of the Christian Church emerged from contacts among groups of Christians, but these structures also shaped informal group connections. It will be noted that I have drawn an arrow, also, from market environments to informal groups. Interpersonal associations, as well as formal organizations, depend on such general environmental factors as existing technologies of communication, sociopolitical structures, and influences on expectations.

Finally, informal associations both provide contexts for the decisions of individuals and are derived from those decisions. Informal groups also mediate all other levels of influences on individual decisions. If individuals perceive instability in an environment, for example, they do so because of the information they receive from their social contacts. Social class shapes decisions as a result of the experiences that people in different social classes have with other human beings. Organizations influence individuals by shaping interactions. When individuals make decisions, the information, tastes, and understanding that make these decisions possible are all produced by specific social circumstances. Both formal organizations and informal groups have dual characters. They are collective actors because they have goals and means of achieving goals that arise out of individual decisions, and they are contexts because they provide settings for action.

This brief discussion has attempted to provide some basis for an examination of individual and collective choices of action and for the contextual influences on those choices, while the preceding sections described the nature of rationality in decision-making. Now, in order to investigate how contextually shaped decisions in religion may be seen as rational choices, I will turn to a more explicit description of how religion may be seen as economic behavior.

**Religious Contexts and Actors as Economies: Supply and Demand Structures**

Sherkat and Ellison (1999) have observed that theorists of religion can be divided into those who approach the religious marketplace from the supply side and those who approach it from the demand side. Taking a supply side perspective, some of the foremost rational choice theorists of religion have argued that the deregulation of religion increases religious activity by increasing the supply of religious goods (Iannaccone 1991, 1992; Iannacone, Finke, and Stark 1996). In the words of Stark and Finke (2000:193), “religious demand is very stable over time and . . . religious change is largely the product of supply-side transformations.” A plurality of religious institutions, by providing a wide range of choices, can respond to demands for supernatural goods in an efficient and multi-faceted manner. This supply side view contrasts with the formulation suggested but later abandoned by Peter Berger, who maintained that competition undermined religions as sources of meaning by challenging institutional claims to monopolistic certainty. When there are many claims to the truth, he argued (Berger 1968; 1969), no single claim can be convincing and all are weakened.

The supply-side vs. demand-side debate is a central one in economics in general, as well as in the economics of religion. Perhaps the century’s most influential economist, John Maynard Keynes (1936) advocated an economic policy centered around consumer demand as the driving force. Along similar lines, John Kenneth Galbraith (1958) observed that techniques of production in the economies of the West had outstripped distribution, resulting
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in an unprecedented quantity of goods available for consumption, even though the buying power of individuals might lag far behind this productive capacity.

One can begin to think about the interconnections of supply and demand by recognizing that demand is a matter of making choices. Consumers with finite resources for acquiring goods choose among the goods available to them. This suggests that a purely supply side approach to religious activities really cannot also be a rational choice approach because the former would consider only the availability of goods and not how people make choices among them.

In addition, an economic model of religion that looks only at supply tends to present a top-down perspective, in which individuals are chiefly passive recipients of collectively created goods. This not only makes it difficult to examine how individuals make their choices, it also draws attention away from a central goal of rational choice theory: the explanation of how individual actions and decisions yield social aggregates.

Empirically, it would be hard to reconcile a constant distribution of religious demand with such occurrences as the sudden popularity in “born again” Christianity in the 1970s and 1980s (Warner 1993). Theoretically, demand cannot be stable if many of the predictors of demand are unstable. Choice in religious activity and expression is widely acknowledged to be affected by social class (Demerath 1965; Roof and McKinney 1987; Stark and Glock 1968), social mobility (Alston 1971; Lauer 1975; Nelsen and Snizek 1976), racial or ethnic minority status (Argyle and Beit-Hallahmi. 1975; Ellison and Sherkat 1995), socialization by family and peers (Sherkat and Wilson 1995) and individual life events (Ellison 1991; Stark 1996; Wallace 1975). None of these influences are distributed in a constant fashion across history or geography.

An account of religion as an economy, then, can not simply assume that choices will automatically follow goods that are somehow made available. Instead, such an account must explain how individual choices both respond to contexts and create contexts. One can begin to do this by considering how individuals decide what their wants are and how they will satisfy these wants.

If we return to Equation 1, individuals do act teleologically. They seek to achieve goals and, generally, they seek to achieve these goals as efficiently as possible by choosing the best possible means. The choice of the means is constrained, though, by both information and socialization (Sherkat and Wilson 1995; Sherkat 1998). Both information and socialization are products of social contacts. Since social contacts result from the influences of individuals on one another there is continual reciprocity between individual decisions about goals and the means of achieving goals and social constraints.

The social constraints that groups place on individuals may vary. A primary source of variation in social constraints is participation in multiple groups. It is a standard sociological axiom that pluralistic societies present individuals with varied, sometimes contradictory ends and that individuals must choose among those ends. The more an individual is confronted with multiple groups, the less action is a matter of acceptance of given means and goals and the more action is a matter of conscious choice and calculation. Individual choices, again, vary in rationality.

The fact that a multiplicity of ends tends to increase the systematic and teleological character of social action means that there is a curious relation between the first two dimensions of rationality (goal-orientation and systematic means of achievement) and the third (consistency of goals). As possible goals increase in number and in varia-
tion, individuals are faced with choosing among ends and with rationalizing apparent inconsistencies.

Choosing a desired product (a goal) often entails choosing a social group. Even material products, such as homes or automobiles, often establish group membership. For social goods, such as clubs or churches, group membership is generally implicit in the goods themselves. Becoming or remaining a Buddhist or a Mormon usually means associating with Buddhists or Mormons. Group membership, in turn, reinforces the kinds of goods that are considered desirable and helps to address the problem of inconsistency raised by a pluralistic society. Southern Baptists faced with choosing between a belief in divine creation and acceptance of Darwinian evolution may find the problem at least partly resolved by the resolve faith of fellow church-goers.

Groups reinforce religious choices because religious goods, like virtually all products, are created by collaboration. People create religious goods; such as beliefs, services, and practices; together. In this process of collaboration, they intensify the belief that the things they create are to be valued and desired and they help to re-define universal human desires in terms of their products. Religious preferences are shaped and intensified through social contacts in the process of consumption of religious goods (Sherkat 1997). All human beings may well have desires for rewards that cannot be supplied by naturalistic means (Stark and Bainbridge 1985). However, it is only through social participation in a particular community of production and consumption that these become defined as desires for Christian kerygma, Buddhist Nirvana, or Muslim paradise.

As communities of religious production continue in existence, they tend to be institutionalized. Norms become more explicitly formalized as rules and social positions become offices. This is a tendency in any group, but is especially marked when the group comes to include a larger number of people than can maintain face-to-face contact. As the production of social goods increases and personal interactions feed demand for those goods, small firms become formal corporate actors and numbers of small firms may join together within an emerging organizational framework. Thus, after the death of the Gautama Buddha, the Buddhist sangha began to take shape among groups of Indian monks and Buddhist councils began to compose the Buddhist scriptures and to attempt to establish unified doctrines (Reat 1995; Skilton 1997).

The expansion and integration of corporate actors is frequently referred to as rationalization. J.P. Morgan and his business associates, for example, tended to see themselves as rationalizing American business by bringing diverse groups with diverse goals into an integrated corporate structure (Strouse 1999). This movement toward establishing consistency through the extension of formal corporate power may be seen as a general trend of business history in the United States throughout the late nineteenth and early twentieth centuries (Chandler 1970; Cochrane 1962; Sklar 1988). In religious history, we can see similar movements toward rationalization. The Third Buddhist Council, convened at Pataliputra about 250 B.C.E. under the Emperor Asoka, attempted to rationalize Buddhism into a single corporate form (Reat 1995; Skilton 1997). The Council of Nicea, which opened in 325 C.E. under Asoka’s Roman counterpart, Constantine, was part of an ongoing series of efforts to establish a consistent, universalistic form of Christianity (Pelikan 1971).

Among religious firms as well as business firms, then, efforts at rationalization tend to reduce variation in goal-seeking among and within groups. As variation within groups organized into formal corporate structures decreases (that is, as the value of Equation 4 goes
down for groups in corporate structures), competition among the formal structures may decrease in intensity or the formal structures may combine through mergers. In either case, there is a tendency toward monopolization. The post-World War II homogenization of American religion that Sherkat (2001:1485) refers to as “the heyday of the liberal Protestant mainline” can be seen as trend toward religious corporatization and standardization that mirrored similar trends in the society at large.

Monopolies or quasi-monopolies may be helpful for the production of a limited range of existing types of commodities. Economies of scale can enable a large automobile manufacturer to produce automobiles or for a church to produce masses. But there are also problems with this kind of mass production. First, as Coleman (1993) observed in the article discussed above, some kinds of productive activities are done better by small groups, precisely because of the influence that the goal-seeking behavior of individuals has on other individuals. Second, innovation is often more difficult for rigid, highly formalized, rationalized corporate entities than it is for people working in the flexibility of informal groups. Therefore, whenever there is a demand for products that require the intensive collaboration of small groups, small firms, with an emphasis on group interactions rather than on formal organizational structure, tend to out-compete the larger firms.

One can see two expressions of rationality in this consolidation vs. competition model. On the one hand, movement toward monopolization creates greater uniformity of goals and systematic means of achieving goals. On the other hand, this very uniformity and systematization tends to limit the element of choice on the part of individual consumers. While individual choices, made in the context of groups, lead to the creation of formal corporate actors, aggregate rationalization can ultimately constrain the choices of individuals. There is, then, a continual tension between the collective and individual levels.

This pattern fits rather neatly with Stark and Bainbridge’s (1985) cycle of secularization, revival, and religious innovation. Again, however, I do not think that we can assume stable demand for religious goods, any more than we can for other kinds of goods, given the recognized variation in influences on demand. Most of those influences are matters of what I have termed the “market environment.” Determinants of religious mobility in the United States, for example, have shifted in importance over time with succeeding historical cohorts (Sherkat 2001). Operating within social groups, individuals develop and communicate to one another demands for religious goods as a result of the common experiences of those individuals. Iannaccone (1988) has proposed in a formal model that sectarian religions, with norms at odds with those of the larger society, tend to appeal to those with relatively low secular opportunities. When secular opportunities are diminishing or perceived to be low, one may expect pluralistic challenges to dominant religions to take the form of sectarianism. If, however, opportunities are rapidly changing, this can create a different sort of demand, yielding different sorts of religious suppliers. If it is true that cults appeal to the relatively educated and privileged (Stark and Finke 2000), the demand for the kinds of goods produced by cults will increase in times of economic expansion and social optimism and producers of cult goods will flourish accordingly.

In addition to economic fluctuations, political structures are aspects of the market environment that influence supply and demand for religious goods through formal corporate actors and through social groups. Centralized or centralizing political structures often favor the development of monopolies, whether of economic or religious goods. The de-regulation of firms, though, not only increases supplies of goods, it also increases demand. When
formal corporate actors and the informal groups within them compete for customers, they create customers through salesmanship. Pluralism, then, can stimulate consumerism, a widespread desire for the abundance of goods that re-orients the goals of individuals within social groups.

CONCLUSION

Rational choice theories of religion have fallen short of providing an adequate definition of rationality. A complex and multi-dimensional concept has been presented as a relatively simple matter of goal-seeking behavior. Nevertheless, the economic model of religious behavior proposed by rational choice theorists is an extremely useful one and considering the kinds and degrees of rationality involved in religious behavior can help us understand how individual choices create and respond to collective phenomena.

I have argued that rationality should be seen as a matter of goal-orientation, systematic means of goal attainment, and consistency among goals. These are characteristics that exist to different degrees in human activities, not qualities that are either present or absent. Moreover, individual decision making, characterized by degrees of rationality, results in collective goal orientations, systematic means of collective goal attainment, and consistency among collective goals. The ways in which the dimensions of individual rationality are related to each other and the ways in which individual rationality is related to collective processes and outcomes depend on specific circumstances. I have argued that these circumstances can be understood in terms of a market, with supply and demand mediated by conceptual levels. While this supports the economic model of rational choice theorists of religion, it revises this model by placing more emphasis on the role of demand, as well as by offering a schematization of how a multi-dimensional rationality might function at levels of contexts and actors.

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