

# Ecce Homo Economicus: A Dynamic Model of Religious Rituals

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## Abstract

In principle religious groups as collectivities relying on individual members' participation are not immune to the problem of free-riding. This paper reconsiders the proposition of sacrifice and stigma being the mechanisms apt to deter potential free-riders from the group and generalise it to all ritualistic and display-oriented aspects of religions in a dynamic strategic interaction setting. Through this model we simultaneously explain the self-maintained cooperative structure of religious groups as well as the ritualistic acts that constitutes the very basis of religious practice in a way that integrates rational choice framework.

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**Keywords:** Religion, Free-riding, Public good

**Jel Classification:** Z12

## Introduction

Joseph Schumpeter wondered if there is any activity in human world that has not been business for someone. Yet economists have been for long time reluctant in considering the study of religion as activities compatible with principles assumed to govern other activities of homo economicus. In order to do so, we believe, one should distinguish between two essential components of religions: its contents and its organisation. It is true that the content of religions are peculiar enough, when contrasted when any other activity of economic concern and economic impact, that any application of rational principles in its study require going ahead with assumptions that some may not be willing to make. However the organization of religions share many aspects with other human groups that make it quite safe to consider them governed by the same principles discovered or proposed as rational laws behind human social behaviour.

This paper's objective, following a number of scholars, is to apply rational principles that govern human groups to religions assuming that such analysis