

JOINT EVENT

**THE LAZARIDIS SCHOOL OF BUSINESS AND ECONOMICS  
THE MS2DISCOVERY INTERDISCIPLINARY RESEARCH INSTITUTE**

WATERLOO | CANADA  
PUBLIC LECTURE

# The Price of Religion: Experiments in Willingness to Bear Risks For Others in Islamic Communities

**Rebecca Morton** | New York University

In this paper we investigate the effects of religion and religiosity on prosocial actions that involve bearing risks for others (joining a social movement, funding a project with an uncertain outcome). In particular, we focus on the effect of the Islamic prohibition against lending with interest on the choice of Muslims to lend through a profit sharing arrangement (PLS) that protects borrowers against bankruptcy instead of using westernized interest based financing (IB). We report on an incentivized experiment that resembles the choice between IB and PLS to analyze how a direct quote from Qur'an on the prohibition affects choices of Muslims in three extremely different countries (Indonesia, China, and UAE). Interestingly, the religious frame has little effect on the choice of PLS when the alternative is charging low interest rates, but has a large positive effect when the alternative is charging high interest rates. These results suggests the limits of the influence of religious framing: it is only particularly effective in encouraging individuals to bear risk for others when the choice between self interest and others' well-being is stark.



By definition, scientists do experiments. Increasingly, that truism now applies to political scientists, just as it does to chemists or biologists. Rebecca Morton is at the forefront of the development and growing recognition of this new aspect of an old discipline. Rebecca Morton's research focuses on voting processes as well as experimental methods. She is the author or co-author of four books and numerous journal articles, which have appeared in noted outlets such as the American Economic Review, American Journal of Political Science, American Political Science Review, Journal of Law and Economics, Journal of Politics, and Review of Economic Studies.

This event is organized jointly by the MS2Discovery Institute and the Laurier Department of Economics at the Lazaridis School of Business & Economics.

Contact at the MS2Discovery Research Institute: Maria Gallego (Host of the speaker, Tecton 8: Econometrics and Quantitative Approaches to Economics, Business and Political Science)

**Refreshments will be provided**

**October 4, 2016**

**11:30am | Location: 2C3**

**The MS2Discovery Seminar Series: [www.ms2discovery.wlu.ca/seminar](http://www.ms2discovery.wlu.ca/seminar)**  
Wilfrid Laurier University, 75 University Avenue West, Waterloo

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