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PEOPLE'S OPIUM? THE ECONOMIC EFFECT OF RELIGION

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Abstract

The existing evidence on the economic impact of religion is based on cross-country studies, where this impact is confounded by differences in other institutional factors. We use the World Values Surveys to identify the economic effect of religion controlling for country fixed effects. We distinguish the effect of being brought up religiously, being loosely religious, and being actively religious. We also distinguish the effects of different religions. We study these effects on people's attitude toward cooperation, Government, legal rules, and the market economy. We find that on average religion has a positive impact on attitudes that have been previously identified as good for growth. The main exception is that religious people tend to be more racist.

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Economists, sociologists, and political scientists have long been interested in explaining the economic success of certain countries and the persistence poverty of others. In search of the ultimate cause, an obvious role has been played by religion. There is hardly an aspect of a society's life that is not affected by religion. Why shouldn't it impact a country ability to grow?

Max Weber (1905) was the first to identify the significant role religion plays in social change. He went as far as stating that the Protestant Reformation triggered a mental revolution that made possible the advent of modern capitalism. "The worldwide view propagated by Protestantism broke with traditional psychological orientations through its emphasis on personal diligence, frugality, and through the moral approval it granted to risk-taking and to financial self-improvement." (Delacroix, 1992).

Almost a century after Weber's seminal work, the importance of religion in explaining the prosperity of nations seems to experience a second youth. While scholars prefer to avoid correlating religion directly to economic prosperity, they try to relate it to fundamental institutions that have been shown to be conducive to growth. In his study of development across Italy, for instance, Putnam (1993) attributes the lack of trust towards others prevailing in the South to the strong Catholic tradition, which emphasizing the vertical bond with the Church, tends to undermine the horizontal bond with fellow citizens. In a cross-country study both La Porta et al. (1997) and Inglehart (1999) find some evidence in this sense. On a similar note, Landes (1998) attributes the failure of Spain to develop in the 16th and 17th century to the culture of intolerance diffused by the Catholic church, which forced some of the most skillful people out of the country.

Finally, Stulz and Williamson (2001) attribute the low level of creditors' protection present in Catholic countries to the antitrust culture pervasive in the Catholic tradition.

Unlike Weber, most of these authors provide compelling evidence in favor of their claim showing a robust correlation between a country's main religion and these institutions. Such evidence, however, can be interpreted in two different ways. One possible interpretation is that there is something intrinsic to certain religions, such as the Catholic, that makes it inimical to the development of talents and institutions that foster economic growth. An alternative interpretation, which is equally consistent with the results, is that there has been something in the past (which is correlated with religion, but it is not necessarily religion, in Europe for instance the break down of the Roman empire around the second half of 4th century) that led a country to be trapped in a bad equilibrium. According to this interpretation, there is nothing fundamental, but hysteresis, that keeps a country trapped in this equilibrium. A possible variation of this hypothesis, which is observationally equivalent to the previous one, is that there were some aspects of a religion, in this case Catholicism, that were inimical to the development of certain institutions, e.g., trust, but these aspects disappeared over time, possibly because of a reform (e.g., the Second Vatican Council).

While from a historical point of view, the difference between the two hypotheses seems rather uninteresting from a policy perspective it is very important. If the first alternative is true, short of changing a country's religion (a task beyond the power even of the World Bank), there is very little hope to bring prosperity to many poor countries. By contrast, the second alternative provides some hope. It is sufficient to find a

coordinating device to escape the bad equilibrium trap, without trying to change people's religious beliefs.

Unfortunately, the existing cross-country analysis cannot distinguish between these two hypotheses. To identify the effect of religion separately from the effect of other historical accidents we have to resort to a within country analysis. Such an analysis, however, cannot be conducted in a country alone, because the role of a religion might highly depend upon the social and historical context in which it developed. To address this issue in this study we use a dataset containing data on individuals for a large set of countries. The World Values Survey is a collection of surveys administered to a representative sample of people in 66 countries, from 1981 to 1997. These questionnaires contain information not only about individuals religious affiliation, but also about the *intensity* of their belief (how often the interviewed attends religious services) and how was s/he raised (religiously or not). Thus, we are able to study the effect of both the degree of religiosity and the type of religion on a series of fundamental societal attitudes that have been shown to be conducive to higher productivity and growth.

We analyze the effects of religions on four broad sets of variables: people's attitude toward cooperation, government, legal rules, and the market economy. As measures of attitudes toward cooperation we use individual responses to questions regarding how much one trusts other people in general and how tolerant individuals are towards neighbors of different race or different countries. As measure of attitude toward the Government, we use individual responses on how much people trust the Government and fundamental Government's institutions, like police and armed forces. As measure of attitude toward legal norms, we use individual responses to various questions regarding

the willingness to break the law, such as cheating on taxes, avoiding a fare on public transportation or paying bribes. Finally, the World Values Survey asks people to state their position along the efficiency vs. equity trade off. The interviewer shows a card to the respondent in which there are two opposite statements at the two extremes of a 1-10 interval. The respondent should choose the number that best describes his/her relative position. Questions range from whether people think pay inequality is necessary to provide better incentives to whether competition brings out the worst in people or stimulates hard work and new ideas.

To isolate the effect of religion from other confounding effects we control for several individual characteristics, such as health status, age, sex, education, income, and perceived social status. This strategy might underestimate the impact of religion, since religion positively affects health (Ellison, 1991) and income (Chiswick, 1983). Nevertheless, we think it is important to establish whether religion has an additional, direct effect. While for the purpose of this paper we regard these as simple controls, some of the effects are of independent interest. For example, people in better health appear more market oriented, less likely to break the law, more trusting towards other people, but also more intolerant.

We find that on average religion is good for the development of better institutions. Religious people trust others more, trust the Government more, are less willing to break the law, and have a more positive attitude toward markets and incentives, but they are more intolerant.

Interestingly, the aspect of religion that seems to matter is different across the various attitudes. Trust toward others is mostly affected by religious participation, not by

being brought up religiously. By contrast, intolerance is mostly an outcome of being raised religiously. Active churchgoers are not more intolerant towards immigrants than the rest of the population (but not less either). Finally, both a religious upbringing and an active religious participation increase trust toward Government institutions.

The effect of religious upbringing is particularly interesting in light of the identification problem that plagues all the studies on the effects of religion. Any “effect” of religion might be spurious, due to some underlying characteristics that shape both religious behavior and the attitudes we focus on. Being raised religiously, however, is not a choice and cannot be attributed to individual characteristics. Therefore, we think its effect can be interpreted in causal sense. That cannot be said for our other two indicators of religiosity. We should keep it in mind when we review the results. Yet, even if the observed correlations were entirely driven by unobserved individual characteristics, we think it is still interesting to show that characteristics that make somebody attend services on a regular basis make her also be more intolerant toward immigrants and people of other races. Even if religious people are more intolerant for personal characteristics, it is hard to imagine that a community of intolerant would not breed further intolerance.

Not surprisingly, religious upbringing and affiliation reduce the willingness to break any sort of legal rule. More surprisingly (to us), religious upbringing and affiliation have a positive effect toward markets. Religious people believe more in incentives (even at the expense of equality), in private property, and in success as reward to hard work, rather than the result of luck or opportunism. Perhaps our surprise is due to our specific religious upbringing (Catholic). All these pro-market attitudes appear as the ultimate example of the capitalist ethic described by Weber. Thus, it is well possible that these

results are driven by the Protestants in the sample. Hence, the need to distinguish among different religious denominations. Such differentiation will also enable us to test directly some of the claims existing in the literature.

The most interesting results, however, emerge when we look at the impact of different religious denominations. Religious upbringing does not seem to have a statistically significant impact on trust in any denomination. The most trusting people seem to be the Catholic and Protestant who attend the service regularly. While the point estimates of the effect is 50 percent larger for Protestant than for Catholics, the difference is not statistically significant. Hence, at the micro level there does not seem to be support for the claim that Catholicism reduces trust. In fact, Catholics trust other people significantly more than Muslim and Jews. The only caveat for Jews is that the sample does not include Israel, thus all the Jews are minorities living in countries dominated by people of different religious denominations and, thus, this difference might reflect the discrimination they are possibly subject to. The relation between religion and intolerance seems to be present in all religion denominations. But it is particularly strong among Muslims and Jews. Once again Protestants and Catholics are no different in this respect.

Where Protestants and Catholics differ significantly is in their position in the trade off between equality versus incentives. In fact, Protestants are the only religious group that leans more in favor of incentives. Affiliates to all the other religions do not seem to lean more in either direction. This result vindicates Weber's claims.

Religion denominations also differ in their attitude to private ownership. Once again, however, the differences are not what we expected. Protestants and Catholics want

more private ownership (the Catholic more than the Protestant, but the difference is not statistically significant). While the Muslim wants significantly less private ownership.

In a Catholic-dominated country religion has less of a positive impact on trust for all religion denominations, while non Catholics trust the Government less in Catholic-dominated country, but not Catholic themselves. The most remarkable difference is for Jews. Religious Jews trust the government less in a Catholic-dominated country, while they trust it significantly more in Protestant-dominated countries and even in Muslim-dominated countries. This result is easily explainable in light of the strong antisemitism present in the Catholic Church tradition, as reflected in the way Jews were historically treated in the Pope state (Kertzer, 2001).¹

Interestingly, Protestant and Jews believe in private ownership of business more in Protestant-dominated countries than in Catholic-dominated ones. These last two results are very consistent if we accept the view that the invisible hand of the market works better where the visible hand of the Government works. In fact, governments work better in non-Catholic dominated countries (La Porta et al., 1999).

Overall, these results seem to suggest that there are some aspects in the culture of Catholic-dominated countries that negatively impact their ability to grow. These aspects are probably responsible for the aggregate-level evidence on the negative effects of the Catholic religion on trust (La Porta et al, 1997, Inglehart, 1999) and institutions (La Porta et al., 1999). These aspects, however, do not seem to be present among Catholics today. One possibility is that these aspects are not specific to Catholicism, but to other dimensions of the culture of the regions where Catholicism is prevalent (mainly Southern

¹ For example, the yellow star used by the Nazi to single out the Jews was first introduced and used in the Vatican State (Kertzer, 2001).

European countries and their former colonies). Alternatively, these aspects were specific to Catholicism, but they are the results of the dramatic changes introduced by the Second Vatican Council . In this latter case, they would simply survive as a cultural aspect of countries impregnated by Catholic culture, but not any more in Catholic people. We have some preliminary evidence in favor of this hypothesis. The effect of Catholicism is different (and more benign) in younger people, who were raised after Vatican II. This piece of evidence, however, is insufficient to make us conclude in one direction or another. Only future research will be able to tell. In the meantime, however, we can conclude that Catholicism today is not a significant obstacle to development.

The rest of the paper proceeds as follow. Section I briefly reviews the theoretical priors on the economic effects of religion. Section II presents the dataset we use and our measure of religion affiliation and attitude toward cooperation, Government, legal rules, and the market economy. Section III reports the results of the effects of religion in general, while Section IV differentiates across religion denominations. Section V concludes.

I. Theoretical Predictions

“Religion is arguably the most powerful ideological force with which mankind has ever had to contend” (Steuart, 1998). Not surprisingly, though, scholars have looked at religion to explain persistent cultural differences that are strongly associated with differences in economic performance. An excellent survey of this theoretical debate on the links between religion and economic development is Steuart (1998). Without aspiring to be exhaustive, we summarize here the main points of this debate.

Since its inception, the crucial point is the direction of causality. On the one hand, Feuerbach and Marx see religion as a mere reflection of human life. In his *Criticism of Hegel's Law*, Marx (1844) states: "The grounds of the unreligious critique is man made religion, religion does not make man... Religious misery is, by one side, an expression of the real misery. Religion is the exhausted creature's sigh, the state of animus of a heartless world, the spirit of spiritless situations. Religion is the people's opium".

Of the opposite view was Weber. In its classic "The Protestant Ethic and the Spirit of Capitalism", Weber attributes the emergence of the spirit of capitalism ("the unremitting devotion by businessmen to the pursuit of maximum money profit through non-violent, legal, and honest means" (Lessnoff, 1994)) to the development of a Protestant ethic. Weber's protestant ethic results from the interaction of the doctrine of salvation and the conception of good works. It was Luther who decisively altered the Christian conception of good works by prescribing the "fulfillment of duties in worldly affairs as the highest form which the moral activity of the individual could assume" (Weber, 1905).

Eisenstadt (1968) moves away from an analysis of a direct causal link between Protestantism and capitalism to focus on the "transformative potential" of religions. The transformative potential refers to the "capacity to legitimize, in religious or ideological terms, the development of new motivations, activities, and institutions which were not encompassed by their original impulses and views" Eisenstadt (1968). Eisenstadt's main thesis is that "by redefining both political and social institutions and symbols, the transformative potential of Protestantism had a profound impact on the reformulation of roles within the economic sphere" (Steuart (1998)).

Eisenstadt's concept of transformative potential is also useful in assessing the potential impact of other religions, such as Hinduism. Given the multiplicity of gods and sects, it is very difficult to identify a clear position of Hinduism toward economic activity. In particular, the stereotype that would like Hindu to be ascetic and uninterested in the material world can be easily rejected. In the *Panchatantra* we find statements such as "wealth gives constant vigor, confidence and power" and "poverty is a curse worse than death" (Uppal, 1986). Nevertheless, according to Eisenstadt the highly ritualistic behavior promoted by Hinduism is "less likely to facilitate the development of more continuous secular activities" Eisenstadt (1968).

Similar problems are encountered when we analyze Islam. While the *Sunnah* prohibits the formation and conclusion of aleatory contracts based on chance (Jomo, 1992), many verses of the *Quaran* encourage effort and enrichment (Steuart, 1998). Thus, the underdevelopment of many Islamic countries cannot be attributed to Islam per se, but possibly to "a tendency which emerged somewhere between the ninth and the eleventh century in the Islamic world to legitimize growth-inhibiting values and practices by sanctioning the development of inflexible political and legal institutions designed to preserve the status quo rather than encourage dynamism and radical change" (Steuart, 1998).

More recently, rather than on differences in the *Weltanschauung* fostered by different religions, the debate has focused on the impact of religion on specific attitudes of people, attitudes that might promote or hamper growth. Putnam (1993), for instance, focuses on trust and claims that the Catholic tradition, which emphasizes the vertical bond with the Church rather than horizontal bond with fellow citizens, has a negative

impact on people's average level of trust in others. Landes (1998) focuses on tolerance and claims that the culture of intolerance diffused by the Catholic Inquisition negatively impacted the ability of Catholic countries to grow. Finally, Stulz and Williamson (2001) claim that countries permeated by Catholic culture, with its traditional antiusury bent, tend to protect creditors' rights less.

Empirical studies

In his survey on the economics of religions Iannaccone (1998) claims that "the most noteworthy feature of the Protestant Ethic thesis is its absence of empirical support". He adds that "Samuelsson (1993) and Tawney (1926) demonstrate that nearly all the capitalist institutions emphasized by Weber *precedes* the Protestant Reformation that he viewed as their cause."

This evidence, however, only rejects the specific channel proposed by Weber, not a more general link between Protestant ethic and development of a capitalist attitude. In fact, in a cross-country study of former British, French, and Spanish colonies Grier (1997) shows that Protestantism is positively correlated with growth and development.

To verify or falsify Weber's thesis, however, it is necessary to go past the fact the Protestant countries have been more successfully economically. This fact was the one that motivated Weber in the first place, thus it cannot be used to test his theory.

Blum and Dudley (2001) make an important step in this direction. First of all, they refine Weber's thesis. They argue that Protestantism, rejecting the Catholic sacrament of penance, increased the individual penalty of defaulting, improving the level of mutual trust and cooperation. Second, they use this theory to explain the rising wages

in Protestant cities between 1500 and 1750 at the same time as wages in Catholic cities fell.

At a macro level, there is also evidence in favor of Putnam's argument that Catholic countries have lower level of trust (La Porta et al. (1997) and Inglehart (1999) and that Catholic countries protect creditors less (Stulz and Williamson (2001)).

At a micro level, there are several studies on the effects of religion on economic outcomes. Religion seems to affect wages (Chiswick, 1983), school attendance (Freeman, 1986), health (Ellison, 1993), and criminal behavior (Evans et al., 1995). Yet, there are some problems with these studies. First of all, there is an issue of endogeneity: "good kids may avoid drugs, stay in school, *and* go to church" (Freeman, 1986). Thus, it is far from clear that the correlation is causal. Second, these studies are based on a single country (generally the United States). Thus, they are hardly generalizable to other countries. Finally, they focus on the correlation between religion and outcomes, not attitudes. Outcomes are the result of attitudes but also of the surrounding environment.

For example, *ceteris paribus* in the United States Catholics tend to have higher wages (not as much as Jews, but better than other religions). But this success is generally attributed to the quality of their educational system. Thus, it is not necessarily Catholicism per se that makes them more successful in life, but the interaction between the way the educational system and the Catholic church are organized in the United States. It would be very dangerous, thus, to extrapolate this result to, let's say, Latin America and claim that Catholicism would have a positive influence on the standard of living there.

In sum, more than one hundred years after its inception this debate on the economic effects of religions is far from settled. The complexity and variety present in every religion makes it impossible to reach any conclusion on purely theoretical grounds. On the other hand, empirical work is plagued by identification problems. At the aggregate level, there are too many institutional differences across countries and too few degrees of freedom to separately identify the specific effects of religions. At the micro level, we cannot tell whether the correlation between economic outcomes and religion is causal or merely a reflection of unobservable individual characteristics.

Our Empirical Strategy

We plan to overcome these problems in following ways. First, we will control for individual country effects, eliminating the impact of other institutional variables. This approach runs the risk of underestimating the impact of religion to the extent its impact has been fully absorbed in the national culture.² Nevertheless, what we find, can be more credibly attributed to religion.

Second, we use religious upbringing to identify the effect of religion that is independent of individual characteristics, particularly those that are unobservable to us.

Third, we reduce the effect of potentially spurious effect by looking at people's attitude rather than at their economic outcome.

In our analysis we will analyze both the impact of religion in general and the impact of different types of religions. Given the complexity of religions and the disagreement on their ultimate effects, we try to conduct this analysis without a strong

² For example, the Italian philosopher Benedetto Croce stated that the Christian tradition has impregnated so much the Italian culture that we cannot consider ourselves not Christian even if we are atheists.

theoretical prior (which in case would amount to a preconception). A last caveat. The effects we will find by following the research design outlined above are not necessarily due to the religious precepts as contained in the sacred texts. They might reflect some values that have become part of a certain religion culture, even if they are not strictly derived from the sacred scriptures. Thus, when we find that Muslims believe in private property less, we do not want to say that this is Mohammed's or the *Quaran*'s fault, but simply the effect of the Muslim cultural tradition the way it has evolved as a result of historical circumstances.

II. The Data

Description of the World Value Survey

The World Values Survey is a cross-country project coordinated by the Institute for Social Research of the University of Michigan, under the direction of Ronald Inglehart. Each wave carries out representative national surveys of the basic values and beliefs of individuals in a large cross-section of countries. This questionnaire contains information about demographics (sex, age, education, etc.), self-reported economic characteristics (income, social class), and answers to specific questions about religion, political preferences, and attitude.

We use the last three waves that are available (1981-1984, 1990-93 and 1995-97). Respondents are from 66 independent countries. These countries include almost 80 percent of the world's population. The coverage of countries varies across surveys. The 1981-83 survey covered 22 independent countries plus surveys in Northern Ireland; the

1990-93 survey expanded to cover 42 independent countries plus surveys in Northern Ireland, and Greater Moscow; the 1995-97 survey covered 54 independent countries.

Measures of religious affiliation

Table 1, Panel A, reports summary statistics of the attitudes toward religion by country. The first column reports the percentage of respondents that answered yes to the question “Were you brought up religiously at home?” The second and the third column reports the answer to the following question “Apart from weddings, funerals and christenings, about how often do you attend religious services these days?”

Table 1, Panel B, reports distribution of population by religion denomination and country. Religion denomination is coded based on the answers to the following question: “Do you belong to a religious denomination? IF YES: Which one?”

We use the first set of answers to identify the exogenous component of religion, the one that does not depend upon individual characteristics. To measure the intensity of religious beliefs we chose to use the frequency of attendance to religious services, rather than self-declared membership to a religious denomination. Many people who have been raised in a certain religion continues to declare themselves as belonging to the religion even if they attend religious services less than once a year. We do not regard this as additional information with respect to religious upbringing.³

Our dependent variables

³ In several specifications we have tried and used self-declared membership to a religious denomination instead of the attendance to religious services at least once a year, as a measure of religious belief. The results were very similar.

Table 1, Panel C, reports the summary statistics for our dependent variables. All of them represent measures of people's attitudes. We chose to focus on attitudes that have a direct impact on the economic life. We divide them in four groups.

Measures of attitude toward cooperation

The first group contains measures of people's attitude toward cooperation. Variable 1, which we label trust, is based on the following question: "Generally speaking, would you say that most people can be trusted or that you can't be too careful in dealing with people? The variable is equal to 1 if participants report that most people can be trusted and zero otherwise. Variables 2 and 3, which we label respectively intolerance towards other races and intolerance towards immigrants, are based on the following question: "On this list are various groups of people. Could you please sort out any that you would not like to have as neighbors?" (Variable 2: People of a different race; Variable 3: The immigrants). Variable 4, which we label average intolerance, is the combination of variables 2 and 3 and is equal to 1 if either variable 2 or 3 or both is equal to one.

Measures of attitude toward Government

The second group of variables contains measures of people's attitude toward Government institutions. Variables 5, 6 and 7 are based on the general question: I am going to name a number of organizations. For each one, could you tell me how much confidence you have in them: is it a great deal of confidence, quite a lot of confidence, not very much confidence or none at all? Answers are coded 1-4, with increasing degree of confidence. Organizations we considered are the Government, the police and the armed forces.

Measures of attitude toward legal norms

The third group contains measures of people's attitude toward legal norms (variables 8-12). The willingness to break legal norms is assessed with the following question: "Please tell me for each of the following statements whether you think it can always be justified, never be justified, or something in between, using this card." Answers are in the range 1-10, with 1 = never be justified and 10= always be justified.

The questions we are interested are: "Claiming government benefits to which you are not entitled" (var. 8). "Avoiding a fare on public transport" (var. 9). "Cheating on taxes if you have a chance" (var. 10). "Buying something you knew was stolen" (var. 11). "Accepting a bribe in the course of their duties" (var. 12).

Measures of attitude toward the market economy

The fourth group contains measures of people's attitude toward the market economy (variables 13-18). They are based on the following question: "Now I'd like you to tell me your views on various issues. How would you place your views on this scale? 1 means you agree completely with the statement on the left; 10 means you agree completely with the statement on the right; and if your views fall somewhere in between, you can choose any number in between." The statement on the left is normally the opposite of the statement on the right. Statements considered are (we report only statement on the right): "We need larger income differences as incentives for individual effort" (var. 13); "Private ownership of business and industry should be increased" (var. 14); "People (rather than government) should take more responsibility to provide for

themselves” (var. 15); “Competition is good. It stimulates to work hard and develop new ideas” (var.16); “In the long run hard work usually brings a better life” (var. 17); “Wealth can grow so there is enough for everybody” (var.18).

Other control variables

Table 1, Panel D, reports the demographic characteristics of the respondents. “Health” is coded based on the question: “All in all, how would you describe your state of health these days? (1=Very poor; 2=Poor, 3=Fair, 4=Good, 5=Very good)”. “Male” is an indicator variable equal to one if the respondent is male, otherwise equal to zero. “Age” is expressed in years.

“Education” is the age in years at which the respondent completed his or her highest education (excluding apprenticeships).

“Social class” is coded based on the response to the question: “People sometimes describe themselves as belonging to the working class, the middle class, or the upper or lower class. Would you describe yourself as belonging to the: 1=Lower class, 2=Working class, 3=Lower middle class, 4=Upper middle class, 5=Upper class”.

“Income” is coded based on the response to the question: “Here is a scale of incomes. We would like to know in what group your household is, counting all wages, salaries, pensions and other incomes that come in. Just give the letter of the group your household falls into, before taxes and other deductions” (income categories are coded by decile for each society, 1=lowest decile, 10=highest decile).

III. The Impact of Religion

In Table 2 we present our results on the overall effects of religions. Each attitude is regressed on our three indicators of religiosity- being brought up religiously, being a religious person and being an attendant - some control variables, country specific effects, and calendar year dummies. Data reclassification problems forced us to drop from the sample India and Pakistan. The size of the reference sample differs across regressions as missing observations vary according to specific questions on individual attitudes, and ranges between 56,000 and 102,000.

Control variables

Before we comment on the results on the impact of religion, it is useful to discuss the effect of our control variables. These results, which are of independent interest, are very reasonable and provide credibility to the measures of attitude we are going to use.

First of all, health has a strong positive impact on all attitudes. Healthier people trust other people more, are more tolerant, trust the government and the police more, are less likely to break legal norms, and believe more in markets. All these results are statistically significant. From a quantitative point of view the strongest impact is on trust toward others, where an improvement in the health status from “fair” to “very good” increases the average level by 27% and in intolerance toward immigrants, where the same increase in health reduce the level of intolerance by 12%.

Gender also plays a role in some, but not all attitudes. Males tend to be more intolerant, trust the government and the armed forces more (but not the police, possibly because they tend to experience more of it first hand), they are more likely to break legal norms, and more in favor of markets.

Older people tend to trust others more reflecting perhaps a cohort effect, but they are also more intolerant. They trust Government institutions more, and they are less likely to break the law. Their attitude toward markets, however, is more mixed. Older people lean more toward equality in the equality vs. incentives trade off and are less enthusiastic about an increase in private ownership. On the other hand, they do believe more in individual (instead than Government) responsibility, they believe more that competition is good and that hard work improves life. They have also more confidence that wealth can grow so that there is enough for everyone.

Education increases trust toward others and reduces intolerance, but it does decrease the level of trust in Government institutions. Education tends to reduce the willingness to break legal norms, but the effect is not always there. For example, more educated individuals seem to be more willing to cheat on taxes (albeit this effect is not statistically significant) and more willing to avoid paying the fare in a public transport. Education also seems to improve attitude toward markets, with only one exception: more educated people are more willing to believe that success is more a matter of luck and connections rather than hard work.

A higher (self-perceived) social status is associated with more trust toward others, but also more intolerance. Its impact on trust toward Government institutions is mixed and tend not to be significant. A higher (self-perceived) social status is also associated with a lower willingness to break legal norms and with a higher acceptance of market principles.

Finally, higher income has similar effects to higher social status expect for a few interesting exceptions. Higher income people are more (rather than less) tolerant, but trust

Government institutions less. While in general they are less willing to break legal norms, there are two important exceptions: they are more willing to cheat on taxes and more willing to justify a bribe.

In summary, while these controls are difficult to interpret as they may be reflecting several effects, their sign conforms to some intuitive priors, and this reassures us that the attitudes we are focusing on are picking up correctly what they are meant to measure. For instance, we would have been suspicious about the quality of our left-hand side variables, individuals support to competition was decreasing with education or was lower for high income individuals.

The average impact of religiosity

Table 2 also contains our estimates for the impact of different level of religiosity. The excluded group are non-religious (because agnostic or atheist) individuals. The effects should be read cumulatively. Hence, the trust of somebody who has been raised religiously and attends service at least once a week (and thus also at least once a month) should be obtained adding the coefficients for our three indicators of religiosity. For this reason, we report also the cumulative effects at the bottom of the table.

We find that on average religion is good for the development of better institutions. Religious people trust others more, trust the Government more, are less willing to break the law, and have a more positive attitude toward markets and incentives, but they are more intolerant.

Interestingly, the aspect of religion that seems to matter is different across the various attitudes. Trust toward others is mostly affected by religious participation, not by being brought up religiously. This could be due to the fact this effect is entirely spurious

(good people trust others more and they attend church) or that the dominant aspect is socialization at the service, rather than religious upbringing. By contrast, intolerance is mostly (but not uniquely) an outcome of being raised religiously. Active churchgoers are not more intolerant towards immigrants than the rest of the population (but not less either). Finally, both a religious upbringing and an active religious participation increase trust toward Government institutions.

Not surprisingly, religious upbringing and affiliation reduce the willingness to break any sort of legal rule. It is important to stress this result is also present for religious upbringing alone, which is a sign this is not just the result of a spurious correlation between unobserved individual characteristics, religiosity, and attitude towards legal norms.

More surprisingly (to us), religious affiliation has, by and large, a positive effect toward markets. Religious people believe more in private property, in individual responsibility, in competition, in success as reward to hard work, and in the possibility wealth might grow to benefit everyone. The only exception is the trade-off between incentives and equality. People raised religiously lean more toward equality and the effect is statistically significant. By contrast, attendance of religious services, more or less regularly, is associated with an increase in the preference toward incentives, but this effect is not statistically significant.

It is important to stress, however, that the pro-market results of religion are mainly limited to the attendance component alone. Being raised religiously has a negative impact on the preference toward incentives and private ownership and no impact on the attitude toward competition, individual responsibility, and the possibility wealth might

grow to benefit everyone. The only positive and significant impact is on the belief hard work improves life. Thus, it is well possible that the positive impact of religion on attitude toward markets are completely due to some spurious correlation with unobserved individual characteristics.

Does the impact differ if a religion is dominant?

Before probing into the differences between different types of religions, we want to distinguish the effect of religiosity from the effect of adhering to a country's dominant religion. A dominant religion becomes often enmeshed with the national culture and transmitted from generation to generation not necessarily because of some deep convictions, but for the force of habit. Thus, being raised religiously in and attending the service of a religion that is dominant in a country might mean very different things than being raised religiously in and attending the service of a minority religion.

For this reason, we separately control for the effect of being raised in and being affiliated with the dominant religion (defined as the one practiced by the majority of people).⁴ The results are reported in Table 3.

Overall, the impact of religiosity seems to be smaller when this is the dominant religion, but there are important differences. For example, we noted earlier that being raised religiously did not have *per se* an effect on trust toward others. It turns out this insignificant result is the combination of opposite effects. Somebody raised religiously tend to trust others more, if the religion is not the dominant one. By contrast, being raised religiously reduces intolerance toward immigrants if the religion is a minority one. The effect is completely overturned if the religion is the dominant one. Similarly, most of

⁴ For this definition we use the CIA Factbook.

the effect of religious upbringing on the attitude toward Governments is due to being raised in the dominant religion. The effect is zero when somebody is raised in another religion.

Regular attendance to religious services has less of a negative impact on the willingness to break legal norms when a person attends the services of the dominant religion. We interpret this as suggesting that regular attendance to religious services is less an indicator of true religious beliefs when the religion is the dominant one.

When it comes to attitudes toward the market, the differential impact of religiosity in the dominant religion is mixed. The dominant religion tends to increase the impact of being raised religiously on the attitude towards the market, but reduce the impact of service attendance.

IV. The Impact of Different Religions

Thus far we have only provided evidence that religiosity in general matters. Most of the debate in the literature, however, is not about the effects of religion per se, but the effects of *different* religions. We deal with this aspect in Table 4.

For those people who claim to belong to a specific religious denomination in Table 4 we differentiate the effect of being raised religiously, attending religious services at least once a year and at least once a month for the six major religious denominations: Catholics, Protestants, Jews, Muslim, Hindu, and Buddhist. Unfortunately, the questionnaires do not treat Eastern Orthodox consistently (they are often clubs with others), so we do not have a separate category for them. Since as said we drop from the sample India, results about Hinduism should be taken as preliminary, as they do not

reflect the reality of the most important Hindu country. For reasons of space we select a subset of variables for each of the four types of attitudes we focus on.⁵

Religious upbringing does not have a statistically significant impact on trust in any denomination. The effect of religion on trust seems to be concentrated among Catholics and Protestants who attend religious services. On the one hand, the absence of an effect of religious upbringing should make us suspicious that the effect is spurious. On the other hand, the fact it is not present for every religion is evidence against a purely spurious effect. Why more trusting people attend more religious services if they are Catholic or Protestant, but not if they are Jews or Muslim? At the very least we should admit that there is something specific to these religions (and not to the others) that attract more trusting people.

While the point estimates of the effect is 50 percent larger for Protestant than for Catholics, the difference is not statistically significant. Hence, at the micro level there does not seem to be support for the claim that Catholicism reduces trust. In fact, Catholics trust other people significantly more than Muslim and Jews. The only caveat for Jews is that the sample does not include Israel, thus all the Jews are minorities living in countries dominated by people of different religious denominations and, thus, this difference might reflect the discrimination they are subject to.

The relation between religion and intolerance seems to be present in all religion denominations, both for religious upbringing and for attendance to religious services. The point estimates for Protestants and Catholics are very similar, while those of Muslims and

⁵ These are: general trust and intolerance towards others (as representative of attitudes towards cooperation); trust the Government (for attitudes towards the Government and other institutions); cheating on taxes and accepting a bribe (for attitudes towards legal rules) and income inequality as incentive

Jews are much higher. Actively religious Muslims are 18% more intolerant, actively religious Jews 14% more, actively religious Protestant and Catholics only 7% more.

People raised Catholic or Protestant do not trust the Government more. The effect of religious upbringing on trust for the Government seems to be driven entirely by Muslim, Hindu, and others.

The religion with the strongest effect on the willingness to adhere to legal norms is Judaism, followed by Protestantism, and Catholicism, and Islam.

Where Protestants and Catholics differ significantly is in their position in the trade off between equality versus incentives. In fact, Protestants are the only religious group that leans more in favor of incentives (also the Jews do, but the effect is not statistically significant). Affiliates to all the other religions do not seem to lean more in either direction. Only a Muslim upbringing has a negative and statistically significant impact on the attitude toward incentives.

Religion denominations also differ in their attitudes to private ownership. Once again, however, the differences are not what we expected. Protestants, Catholics, and Jews want more private ownership (the Catholics more than the Protestants, but the difference is not statistically significant), while the Muslim wants significantly less private ownership.

The same is true for the attitude toward competition. Protestants, Catholics, and Jews believe in the benefits of competition, Muslims not. They are more inclined to think it is harmful. Interestingly, these effects are mainly due to religious upbringing. Thus, they are not likely to be spurious.

providing incentives, opinions about increasing private ownership, and judgement about competition (as representative of attitudes towards the market).

Does the impact differ if a religion denomination is a minority?

Table 5 reports the results obtained dividing the sample on the basis of the dominant religion (as reported in the CIA Factbook). For space consideration, we report the results only with the three main religions: Catholicism, Protestantism, and Islam.

In Catholic-dominated countries religions have less of a positive impact on trust towards others for all religion denominations, including Catholics themselves. Not surprisingly, religions tend to increase intolerance only when they are dominant. Thus, Catholics are more intolerant in Catholic countries, but not in Protestant countries. Vice versa, Protestants are more intolerant in Protestant countries, but not in Catholic ones. The only exceptions are Muslim countries: every religion seems to breed more intolerance there. But this result should be taken with caution, given the paucity of Muslim dominated countries in our sample.

Non Catholics trust the Government less in Catholic-dominated country, but not Catholic themselves. The most remarkable difference is for Jews. Religious Jews trust the government less in a Catholic-dominated country, while they trust it significantly more in Protestant-dominated countries and even in Muslim-dominated countries. This result is easily explainable in light of the strong antisemitism historically present in the Catholic Church tradition, as reflected in the way Jews were treated in the Pope state (Kertzer, 2001).⁶

⁶ For example, the yellow star used by the Nazi to single out the Jews was first introduced and used in the Vatican State (Kertzer, 2001).

Interestingly, also the effect of religion on the willingness to obey legal rules is weaker in Catholic-dominated countries, not only for other religions, but also for Catholics themselves.

The effect of religion on the preference for incentives does not seem to change much as a function of the dominant religion. By contrast, the attitude toward private property does. Protestants and Jews believe in private ownership of business more in Protestant-dominated countries than in Catholic-dominated ones. This result can be explained if we accept the view that the invisible hand of the market works better where the visible hand of the Government works. In fact, Governments seem to work better in non-Catholic dominated countries (La Porta et al., 1999).

Both Catholics and Protestant believe more in competition when their religion is professed by the majority of people in their countries. But this is not true for Muslims. The effect of the Muslim religion on the attitude toward competition is consistently negative in all groups.

Has the Impact of Catholicism Changed?

These splits based on the dominant religion highlight the fact that Catholic-dominated countries differ from non Catholic-dominated ones. These differences are probably responsible for the aggregate-level evidence on the negative effects of the Catholic religion on trust (La Porta et al, 1997, Inglehart, 1999) and institutions (La Porta et al., 1999). Interestingly, however, these differences are not present between Catholics and not. One possibility is that these aspects are not specific to Catholicism, but to other dimensions of the culture of the regions where Catholicism is prevalent (mainly Southern European countries and their former colonies). Alternatively, these aspects were specific

to Catholicism, but they are not any more, after the reforms introduced by the Second Vatican Council. In this latter case, they would simply survive as a cultural aspect of countries impregnated by Catholic culture, but not any more in Catholic people.

To try to separate these two effects we re-run the regressions contained in Table 4 splitting the sample on the basis of the age of the respondent. The Second Vatican Council, which took place between 1960 and 1963, changed the Catholic doctrine in major ways. As a result, people born after 1955 received a very different education at Sunday school from their older peers. If these changes indeed impacted the influence of Catholicism we should see a difference in the effect of Catholicism for the older and the younger generation. Hence the split. The results, not reported, suggest there is some truth in this argument. For example, a Catholic upbringing has a negative and statistically significant impact on trust towards others for the older generation, while has a positive, albeit not statistically significant impact, for the younger generation. This result is only suggestive. Further analysis is warranted.

V. Conclusions

Our analysis of the effect of religions on people's attitude toward cooperation, Government, legal rules, and the market economy shows that on average religion is good for the development of attitudes that are conducive to economic growth. This effect is fairly homogeneous across different religious denominations. The main exception is in the trade-off between incentives and equality. Catholics are significantly more in favor of equality than Protestants. Also Jews seem to mistrust the Government more than non

Jews, especially in Catholic-dominated countries, possibly as a result of past discriminations.

We also find that the effect of religion denomination differs depending on whether a specific religion denomination dominates in a country. A Catholic majority seems to reduce the positive impact of religions across the board. This result seems to suggest that there are some aspects in the culture of Catholic-dominated countries that are negative for growth. These aspects are probably responsible for the aggregate-level evidence on the negative effects of the Catholic religion on trust (La Porta et al, 1997, Inglehart, 1999) and institutions (La Porta et al., 1999). These aspects, however, do not seem to be present among Catholics today. One possibility is that Catholicism has changed since Vatican II. The other is that these aspects are not specific to Catholicism, but to other dimensions of the culture of regions where Catholicism is prevalent (mainly Southern European countries and their former colonies). We have some preliminary evidence suggesting the effect of Catholicism is different in younger people, who were raised after Vatican II, but this is not enough to make us conclude in one direction or another. Only future research will be able to tell. In the meantime, however, we can conclude that today the allegedly negative effects of the Catholic religion are not anymore responsible for the persistent level of underdevelopment of Catholic-dominated countries.

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Table 1: Sample Statistics

This table reports sample statistics of the responses from WORLD VALUES SURVEY 1981-1984, 1990-93 and 1995-97 (ICPSR 2790). Respondents were from 66 independent countries in at least one wave. These countries include almost 80 percent of the world's population. The coverage of countries varies across surveys. The 1981-83 survey covered 22 independent countries plus surveys in Northern Ireland; the 1990-93 survey expanded to cover 42 independent countries plus surveys in Northern Ireland, and Greater Moscow; the 1995-97 survey covered 54 independent countries.

Panel A reports summary statistics of the attitudes toward religion by country. The first column reports the percentage of respondents that answered yes to the question “Were you brought up religiously at home?” The second and the third column reports the answer to the following question “Apart from weddings, funerals and christenings, about how often do you attend religious services these days?”

Panel B reports distribution of population by religion denomination and country. Religion denomination is coded based on the answers to the following question: “Do you belong to a religious denomination? IF YES: Which one?”

Panel C reports summary statistics for the variables used in the regression analysis. Variable 1 is based on the following question: “*Generally speaking, would you say that most people can be trusted or that you can't be too careful in dealing with people?*” The variable is equal to 1 if participants report that most people can be trusted and zero otherwise. Variables 2 and 3 are based on the following question: “*On this list are various groups of people. Could you please sort out any that you would not like to have as neighbors?*” (Variable 2: *People of a different race*; Variable 3: *The immigrants*). Variable 4 is the combination of variables 2 and 3 and is equal to 1 if either variable 2 or 3 or both is equal to one. Variables 5, 6 and 7 are based on the general question: *I am going to name a number of organizations. For each one, could you tell me how much confidence you have in them: is it a great deal of confidence, quite a lot of confidence, not very much confidence or none at all?* Answers are coded 1-4, with increasing degree of confidence. Organizations we considered are the government, the police and the armed forces. Variables 8-12 are based on the following question: “*Please tell me for each of the following statements whether you think it can always be justified, never be justified, or something in between, using this card.*” Answers are in the range 1-10, with 1 = never be justified and 10= always be justified. “*Claiming government benefits to which you are not entitled*” (var. 8). “*Avoiding a fare on public transport*” (var. 9). “*Cheating on taxes if you have a chance*” (var. 10). “*Buying something you knew was stolen*” (var. 11). “*Accepting a bribe in the course of their duties*” (var. 12). Variables 13-18 are based on the following question: *Now I'd like you to tell me your views on various issues. How would you place your views on this scale? 1 means you agree completely with the statement on the left; 10 means you agree completely with the statement on the right; and if your views fall somewhere in between, you can choose any number in between.* The statement on the left is normally the opposite of the statement on the right. Statements considered are (we report only statement on the right): *We need larger income differences*

as incentives for individual effort” (var. 13); *“Private ownership of business and industry should be increased“* (var. 14); *“People should take more responsibility to provide for themselves”* (var. 15); *“Competition is good. It stimulates to work hard and develop new ideas”* (var.16); *“In the long run hard work usually brings a better life”* (var. 17); *“Wealth can grow so there is enough for everybody”* (var.18).

Panel D reports the demographic characteristics of the respondents. “Health” is coded based on the question: “All in all, how would you describe your state of health these days? (1=Very poor; 2=Poor, 3=Fair, 4=Good, 5=Very good)”. “Male” is an indicator variable equal to one if the respondent is male, otherwise equal to zero. “Age” is expressed in years. “Education” is the age in years at which the respondent completed his or her highest education (excluding apprenticeships). “Social class” is coded based on the response to the question: “People sometimes describe themselves as belonging to the working class, the middle class, or the upper or lower class. Would you describe yourself as belonging to the: 1=Lower class, 2=Working class, 3=Lower middle class, 4=Upper middle class, 5=Upper class”. “Income” is coded based on the response to the question: “Here is a scale of incomes. We would like to know in what group your household is, counting all wages, salaries, pensions and other incomes that come in. Just give the letter of the group your household falls into, before taxes and other deductions” (income categories are coded by decile for each society, 1=lowest decile, 10=highest decile).

Panel A: Attitudes towards religion by country (percentages)

Country	Raised religiously at home	Goes to church at least once a year	Goes to church at least once a week	Number of respondents
France	32.4	37.1	10.4	2,202
Britain	23.8	30.4	10.0	3,808
West Germany	43.3	56.3	17.0	4,423
Italy	56.0	76.9	35.4	3,366
Netherlands	32.6	53.2	22.8	2,238
Denmark	19.8	42.7	2.7	2,212
Belgium	60.1	51.2	27.5	2,367
Spain	75.3	57.9	29.6	13,370
Ireland	42.4	93.7	81.5	2,217
North Ireland	41.4	81.3	50.7	616
USA	48.3	74.6	43.3	5,706
Canada	45.0	66.0	28.4	2,984
Japan	14.3	71.1	3.1	3,269
Mexico	50.6	82.1	48.2	4,878
South Africa	68.5	48.8	31.9	7,267
Hungary	28.0	43.3	12.4	2,463
Australia	40.1	50.4	16.8	3,276
Norway	28.3	48.0	5.1	3,612
Sweden	21.1	37.8	4.6	3,010
Iceland	32.3	53.2	2.3	1,629
Argentina	54.8	59.9	22.6	3,086
Finland	29.4	53.4	3.7	2,578
S. Korea	.	64.5	17.6	3,470
Poland	96.8	92.4	59.9	2,091
Switzerland	68.3	58.2	18.9	2,612
Puerto Rico	86.8	81.2	51.6	1,164
Brazil	76.1	68.4	34.6	2,931
Nigeria	93.9	91.0	86.7	3,770
Chile	79.9	64.0	26.6	2,500
Belarus	25.7	46.8	4.8	3,107
India	91.4	89.3	49.1	4,540
Czech Republic	38.6	35.6	6.3	930
East Germany	43.7	34.9	9.7	2,345
Slovenia	72.8	63.6	22.4	2,042
Bulgaria	39.6	44.7	6.3	2,106
Romania	77.0	85.4	18.6	1,103
China	2.7	1.0	0.2	2,500
Taiwan	63.8	33.8	6.8	1,452
Portugal	83.8	59.9	39.1	1,185
Austria	82.1	67.7	25.4	1,460
Turkey	60.6	54.7	32.4	2,937
Lithuania	68.1	38.4	7.8	2,009

Country	Raised religiously at home	Goes to church at least once a year	Goes to church at least once a week	Number of respondents
Latvia	27.6	44.6	3.4	2,103
Estonia	16.1	25.3	1.8	2,029
Ukraine	30.7	54.5	9.8	2,811
Russia	19.3	30.5	2.0	4,001
Peru	78.2	78.8	41.8	1,211
Venezuela	84.5	77.9	30.9	1,200
Uruguay	67.3	34.8	13.2	1,000
Ghana	88.5	80.2	76.0	96
Philippines	86.5	97.3	70.0	1,200
Moldava	63.7	75.2	10.8	984
Georgia	44.4	73.8	9.5	2,593
Armenia	23.8	72.8	7.3	2,000
Azerbaijan	59.6	67.7	5.6	2,002
Dominican Republic	82.7	71.9	43.4	417
Bangladesh	93.1	90.0	63.1	1,525
Columbia	91.0	80.2	45.7	6,025
Serbia	54.0	63.1	5.8	1,280
Montenegro	37.1	52.1	7.1	240
Macedonia	58.1	71.2	11.0	995
Croatia	73.8	72.2	22.3	1,196
Slovakia	76.8	61.6	33.3	466
Bosnia	64.8	77.8	31.0	1,200
All countries	52.21	58.99	24.76	168,482

**Panel B: Distribution of population by religion denomination and country
(percentages)**

Country	Atheist	Catholic	Protestant	Jewish	Muslim	Hindu	Buddhist	Other
France	17.55	63.18	1.73	0.32	0.45		0.68	16.09
Britain	23.80	10.52	57.90	0.37	0.33		0.07	7.01
West Germany	10.41	41.16	44.68	0.07	0.16		0.02	3.50
Italy	9.27	86.89	0.12	0.03			0.06	3.64
Netherlands	22.71	31.01	22.35		0.23		0.09	23.62
Denmark		1.08	94.96	0.05	0.19		0.05	3.67
Belgium	21.86	70.57	1.07	0.26	0.39		0.03	5.82
Spain	12.41	84.70	0.53	0.03	0.06		0.04	2.23
Ireland	1.82	94.77	2.86				0.05	0.50
North Ireland	4.98	27.08	65.12					2.82
USA	12.52	28.57	47.07	1.77	0.29		0.38	9.41
Canada	26.77	41.08	28.68	1.22	0.35		0.12	1.80
Japan	47.86	0.73	1.20	0.04		0.04	43.83	6.31
Mexico	13.30	77.82	7.23	0.14	0.04		0.10	1.36
South Africa	9.72	11.26	63.48	1.10	6.04	2.84	0.10	5.46
Hungary	0.62	70.86	26.41	0.36	0.31			1.44
Australia	18.74	26.05	50.70	0.77	0.72		1.20	1.83
Norway	3.15	0.76	92.68	0.03	0.38		0.09	2.92
Sweden		30.32	68.42	0.14	0.17		0.03	0.92
Iceland		56.14	42.36					1.50
Argentina	14.06	78.17	1.59	1.69	0.10		0.13	4.25
Finland	7.61	13.23	71.71	3.74	2.52			1.18
S. Korea	37.59	12.95	18.46	0.03	0.09		26.81	4.07
Poland	1.79	94.82	1.89				0.05	1.45
Switzerland	4.79	51.67	40.68	0.16	0.16		0.04	2.49
Puerto Rico	18.74	56.91	16.15				0.35	7.86
Brazil	11.87	70.32	6.73	0.03	0.07		0.14	10.84
Nigeria	2.63	25.65	48.62	13.90	6.59		0.03	2.58
Chile	5.50	77.84	8.11	0.23			0.05	8.29
Belarus	30.66	9.72	0.30	0.04	0.09			59.19
East Germany	69.31	11.96	18.21	0.09				0.43
Slovenia	25.74	70.19	0.88		1.28			1.92
Bulgaria	50.00	0.67	1.05	0.05	9.23			39.01
Romania	5.89	2.27	3.45		0.18			88.21
China	96.80	0.40	0.20		1.30		1.00	0.30
Taiwan	23.79	1.79	22.00	16.55	2.83		16.07	16.97
Portugal	21.43	77.13	0.34	0.08				1.01
Austria	16.51	76.23	6.44	0.21				0.62
Turkey	1.35	0.40	0.12	0.20	95.57			2.37
Lithuania	8.14	83.28	1.67	0.25	0.06		0.12	6.48
Latvia	29.74	23.75	21.76	0.40	0.33		0.07	23.95
Estonia	63.55	0.61	15.38		0.35		0.44	19.67
Ukraine	33.49	6.17	0.41	0.11	0.22		0.07	59.52

Country	Atheist	Catholic	Protestant	Jewish	Muslim	Hindu	Buddhist	Other
Russia	55.47	0.08	1.79	0.13	2.62		1.31	38.62
Peru	7.05	82.84	7.88		0.66		0.17	1.41
Venezuela	7.69	84.54	6.49				0.09	1.20
Uruguay	46.73	43.06	1.22	0.10			0.10	8.78
Ghana	6.32	26.32	38.95		5.26		1.05	22.11
Philippines	0.08	84.75	1.92					13.25
Moldava	15.16	0.41	0.20		0.10			84.13
Georgia	6.14	1.48	0.08	1.32	3.96		0.19	86.83
Armenia	86.56	4.26	0.66	0.33				8.20
Azerbaijan	6.03	0.10	0.25	0.15	91.55			1.91
Dominican Republic	23.79	59.47	3.40					13.35
Bangladesh	0.99				85.86	12.82	0.20	0.13
Columbia	10.24	84.39	5.34	0.03				
Serbia	18.13	6.33	0.87		5.78			68.88
Montenegro	5.51	8.47			21.61			64.41
Macedonia	27.87	0.71	0.10	0.31	24.31			46.69
Croatia	12.47	84.31	0.42	0.42	1.19			1.19
Slovakia		89.04	10.96					
Bosnia	29.31	14.49	2.35	0.42	27.30			26.13

**Panel C. Attitudes towards trust, towards the market and towards honesty:
summary statistics**

Variable	Mean	Median	SD	Interq. range	Min/Max
Attitudes towards others and the government:					
1. Trust people (0,1)	0.292	0	0.455	1	0/1
2. Intolerant towards other races (0,1)	0.131	0	0.338	0	0/1
3. Intolerant towards the immigrants (0,1)	0.149	0	0.356	0	0/1
4. Average intolerance	0.395	0.4	0.270	0.4	0/1
5. Trust the government	2.310	2	0.924	1	1/4
6. Trust the police	2.542	3	0.909	1	1/4
7. Trust the armed forces	2.634	3	0.938	1	1/4
Attitudes toward legal rules:					
8. It is justified to claim government benefits you are not entitled to?	2.321	1	2.311	2	1/10
9. It is justified to avoid a fare on public transport?	2.502	1	2.394	2	1/10
10. It is justified to cheat on taxes?	2.543	1	2.435	2	1/10
11. It is justified to buy a stolen object?	1.759	1	1.719	1	1/10
12. It is justified to accept a bribe?	1.747	1	1.715	1	1/10
Attitudes toward the market:					
13. Inequality of income gives incentives to individuals versus income should be made more equal	6.008	6	2.986	4	1/10
14. Private ownership should be increased versus government ownership should be increased	6.120	6	2.845	4	1/10
15. Individual responsibility versus government assistance	5.207	5	3.081	6	1/10
16. Competition is good versus competition is harmful	7.496	8	2.505	4	1/10
17. Hard work improves life versus success is more a matter of luck and connections.	6.609	7	2.916	3	1/10
18. Wealth can grow so there's enough for everyone versus one can get rich only at expense of others	6.470	7	2.805	4	1/10

Panel D: Demographic characteristics

	Mean	Standard Deviation	Minimum	Maximum	Observations
Health	2.715798	0.944135	0	4	162,226
Male	0.46748	0.498943	0	1	168,482
Age	42.86437	18.70206	17	95	153,432
Education	17.94613	4.580674	6	35	142,072
Social class	2.545984	1.500100	0	5	161,558
Income	4.782767	2.592042	0	10	137,760

Table 2. The effects of religion

The dependent variables are coded based on the responses to different questions in the WORLD VALUES SURVEY. “Trust people” is based on the following question: “*Generally speaking, would you say that most people can be trusted or that you can't be too careful in dealing with people?*” The variable is equal to 1 if the respondent says that most people can be trusted and zero otherwise. “Intolerant towards other races”, “Intolerant towards the immigrants” are based on the following question: “*On this list are various groups of people. Could you please sort out any that you would not like to have as neighbors?*” (*People of a different race; the immigrants*). Average intolerance is the combination of “Intolerant towards other races” and “Intolerant towards the immigrants” and is equal to 1 if either or both variables are equal to one. “Trust the government”, “Trust the police”, “Trust the armed forces” are based on the general question: *I am going to name a number of organizations. For each one, could you tell me how much confidence you have in them: is it a great deal of confidence, quite a lot of confidence, not very much confidence or none at all?* Answers are coded 1-4, with increasing degree of confidence. Organizations we considered are the government, the police and the armed forces. The right hand side variables include demographic characteristics of the respondents. “Health” is coded based on the question: “All in all, how would you describe your state of health these days? (1=Very poor; 2=Poor, 3=Fair, 4=Good, 5=Very good)”. “Male” is an indicator variable equal to one if the respondent is male, otherwise equal to zero. “Age” is expressed in years. “Education” is the age in years at which the respondent completed his or her highest education (excluding apprenticeships). “Social class” is coded based on the response to the question: “People sometimes describe themselves as belonging to the working class, the middle class, or the upper or lower class. Would you describe yourself as belonging to the: 1=Lower class, 2=Working class, 3=Lower middle class, 4=Upper middle class, 5=Upper class”. “Income” is coded based on the response to the question: “Here is a scale of incomes. We would like to know in what group your household is, counting all wages, salaries, pensions and other incomes that come in. Just give the letter of the group your household falls into, before taxes and other deductions” (income categories are coded by decile for each society, 1=lowest decile, 10=highest decile). “Raised religiously” is an indicator variable equal to one if the respondent answered positively to the question “Were you brought up religiously at home?”. It is equal to zero otherwise. “Currently religious” is an indicator variable that is equal to one if the respondent attend religious services (apart from weddings, funerals and christenings) at least once a year. It is zero otherwise. “Actively religious” is an indicator variable that is equal to one if the respondent attend religious services (apart from weddings, funerals and christenings) at least once a week. It is zero otherwise. The row “Raised religiously+ Currently religious” reports the sum of the coefficients for “Raised religiously”+ “Currently religious”, followed by the p-values for the test that the sum of the coefficients is significantly different from zero (in brackets). The row “Raised religiously+ Currently religious+Actively religious” reports the sum of the three coefficients, followed by the p-values for the test that the sum of the coefficients is significantly different from zero (in brackets). All the other numbers in brackets are standard errors. All the regressions include a country fixed effect and survey-year dummy.

Panel A: Attitudes towards the others and the government

Variable	Trust people (0,1)	Intolerant towards other races (0,1)	Intolerant towards the immigrants (0,1)	Average intolerance	Trust the government	Trust the police	Trust the armed forces
Health	0.0403 (0.0017)	-0.0055 (0.0012)	-0.0091 (0.0013)	-0.0038 (0.0009)	0.0509 (0.0045)	0.0392 (0.0032)	0.0268 (0.0033)
Male	0.0040 (0.0028)	0.0147 (0.0020)	0.0133 (0.0022)	0.0048 (0.0015)	0.0298 (0.0073)	-0.0072 (0.0053)	0.0433 (0.0055)
Age	0.0011 (0.0001)	0.0009 (0.0007)	0.0006 (0.0001)	0.0016 (0.0005)	0.0048 (0.0003)	0.0047 (0.0002)	0.0068 (0.0002)
Education	0.0065 (0.0004)	-0.0033 (0.0003)	-0.0032 (0.0003)	-0.0021 (0.0002)	-0.0078 (0.0009)	-0.0104 (0.0007)	-0.0131 (0.0007)
Social class	0.0113 (0.0014)	0.0022 (0.0010)	0.0007 (0.0011)	0.0019 (0.0008)	0.0088 (0.0041)	0.0010 (0.0027)	-0.0030 (0.0028)
Income	0.0084 (0.0006)	-0.0033 (0.0005)	-0.0044 (0.0005)	-0.0016 (0.0003)	-0.0063 (0.0018)	-0.0082 (0.0012)	-0.0072 (0.0013)
Raised religiously	0.0046 (0.0038)	0.0117 (0.0027)	0.0071 (0.0029)	0.0055 (0.0020)	0.0615 (0.0091)	0.0370 (0.0071)	0.0280 (0.0074)
Currently religious	0.0090 (0.0033)	0.0068 (0.0024)	0.0068 (0.0026)	0.0169 (0.0018)	0.1033 (0.0088)	0.1135 (0.0063)	0.1548 (0.0065)
Actively religious	0.0349 (0.0040)	0.0090 (0.0029)	0.0019 (0.0032)	0.0067 (0.0022)	0.0464 (0.0111)	0.0977 (0.0076)	0.0900 (0.0079)
Number of obs	102,791	102,620	98,666	95,088	55,860	99,317	99,686
Adj R-squared	0.099	0.0591	0.0569	0.2665	0.1334	0.1823	0.1785
Raised religiously+ Currently religious	0.014 (0.003)	0.019 (0.000)	0.014 (0.000)	0.022 (0.000)	0.165 (0.000)	0.150 (0.000)	0.183 (0.000)
Raised religiously+ Currently religious+ Actively religious	0.048 (0.000)	0.028 (0.000)	0.016 (0.000)	0.029 (0.000)	0.211 (0.000)	0.248 (0.000)	0.273 (0.000)

Panel B: Attitudes towards legal rules

Variable	Is it justified to claim government benefits you are not entitled to?	Is it justified to avoid a fare on public transport?	Is it justified to cheat on taxes?	Is it justified to buy a stolen object?	Is it justified to accept a bribe?
Health	-0.0630 (0.0084)	-0.0616 (0.0089)	-0.0508 (0.0092)	-0.0325 (0.0064)	-0.0349 (0.0063)
Male	0.1114 (0.0141)	0.1281 (0.0150)	0.3087 (0.0155)	0.1983 (0.0108)	0.1541 (0.0106)
Age	-0.0171 (0.0005)	-0.0235 (0.0005)	-0.0201 (0.0006)	-0.0177 (0.0004)	-0.0133 (0.0004)
Education	-0.0076 (0.0018)	0.0092 (0.0019)	0.0027 (0.0020)	-0.0039 (0.0014)	-0.0032 (0.0014)
Social class	-0.0561 (0.0071)	-0.0907 (0.0075)	-0.0620 (0.0077)	-0.0139 (0.0054)	-0.0174 (0.0053)
Income	-0.0112 (0.0032)	-0.0095 (0.0034)	0.0372 (0.0036)	-0.0038 (0.0025)	0.0090 (0.0024)
Raised religiously	-0.0780 (0.0191)	-0.1981 (0.0203)	-0.1768 (0.0210)	-0.1240 (0.0146)	-0.0657 (0.0144)
Currently religious	0.0030 (0.0168)	-0.0518 (0.0178)	-0.1033 (0.0184)	-0.0777 (0.0128)	-0.0142 (0.0126)
Actively religious	-0.1040 (0.0203)	-0.1864 (0.0217)	-0.2951 (0.0224)	-0.1669 (0.0156)	-0.0989 (0.0153)
Number of obs	98,420	99,370	99,699	99,488	99,668
Adj. R squared	0.1178	0.1164	0.0923	0.0678	0.0673
Raised religiously+ Currently religious	-0.0749 (0.001)	-0.2500 (0.000)	-0.2800 (0.000)	-0.2017 (0.000)	-0.0799 (0.000)
Raised religiously+ Currently religious+ Actively religious	-0.1789 (0.000)	-0.4363 (0.000)	-0.5751 (0.000)	-0.3686 (0.000)	-0.1789 (0.000)

Panel C: Attitudes towards the market

Variable	Inequality of income gives incentives to individuals towards income should be made more equal	Private ownership should be increased towards government ownership should be increased	Individual responsibility versus government assistance	Competition is good versus competition is harmful	Hard work improves life versus success is more a matter of luck and connections.	Wealth can grow so there's enough for everyone versus one can get rich only at expense of others
Health	0.0990 (0.0121)	0.1344 (0.0117)	0.1399 (0.0121)	0.1179 (0.0106)	0.1289 (0.0122)	0.1049 (0.0119)
Male	0.1784 (0.0200)	0.4389 (0.0193)	0.2308 (0.0198)	0.3003 (0.0174)	0.2446 (0.0201)	-0.1012 (0.0197)
Age	-0.0022 (0.0007)	-0.0054 (0.0007)	0.0002 (0.0007)	0.0027 (0.0006)	0.0155 (0.0007)	0.0087 (0.0007)
Education	0.0388 (0.0025)	0.0125 (0.0024)	0.0073 (0.0024)	0.0136 (0.0022)	-0.0096 (0.0026)	0.0125 (0.0025)
Social class	0.1917 (0.0111)	0.1836 (0.0107)	0.1648 (0.0110)	0.0958 (0.0097)	0.0818 (0.0111)	0.0275 (0.0109)
Income	0.1084 (0.0047)	0.0770 (0.0045)	0.0722 (0.0047)	0.0472 (0.0041)	0.0248 (0.0047)	0.0268 (0.0046)
Raised religiously	-0.0507 (0.0251)	-0.0483 (0.0241)	0.0013 (0.0250)	0.0187 (0.0219)	0.1414 (0.0253)	0.0162 (0.0246)
Currently religious	0.0223 (0.0241)	0.1752 (0.0232)	0.0824 (0.0239)	0.0714 (0.0210)	0.1395 (0.0243)	0.1532 (0.0236)
Actively religious	0.0418 (0.0300)	0.0832 (0.0291)	0.0697 (0.0294)	-0.0037 (0.0263)	0.1862 (0.0302)	0.1825 (0.0294)
Number of obs	79,167	76,718	82,237	78,296	79,323	77,247
R squared	0.0957	0.1398	0.1558	0.0615	0.0659	0.0458
Raised religiously+ Currently religious	-0.0286 (0.354)	0.1270 (0.000)	0.0837 (0.006)	0.0901 (0.001)	0.2809 (0.000)	0.1695 (0.000)
Raised religiously+ Currently religious+ Actively religious	0.0132 (0.711)	0.2101 (0.000)	0.1534 (0.000)	0.0865 (0.005)	0.4671 (0.000)	0.3520 (0.000)

Table 3. The role of dominant religion

The dependent variables are coded based on the responses to different questions in the WORLD VALUES SURVEY. “Trust people” is based on the following question: “*Generally speaking, would you say that most people can be trusted or that you can't be too careful in dealing with people?*” The variable is equal to 1 if the respondent says that most people can be trusted and zero otherwise. “Intolerant towards other races”, “Intolerant towards the immigrants” are based on the following question: “*On this list are various groups of people. Could you please sort out any that you would not like to have as neighbors?*” (*People of a different race; the immigrants*). Average intolerance is the combination of “Intolerant towards other races” and “Intolerant towards the immigrants” and is equal to 1 if either or both variables are equal to one. “Trust the government”, “Trust the police”, “Trust the armed forces” are based on the general question: *I am going to name a number of organizations. For each one, could you tell me how much confidence you have in them: is it a great deal of confidence, quite a lot of confidence, not very much confidence or none at all?* Answers are coded 1-4, with increasing degree of confidence. Organizations we considered are the government, the police and the armed forces. The right hand side variables include demographic characteristics of the respondents. “Health” is coded based on the question: “All in all, how would you describe your state of health these days? (1=Very poor; 2=Poor, 3=Fair, 4=Good, 5=Very good)”. “Male” is an indicator variable equal to one if the respondent is male, otherwise equal to zero. “Age” is expressed in years. “Education” is the age in years at which the respondent completed his or her highest education (excluding apprenticeships). “Social class” is coded based on the response to the question: “People sometimes describe themselves as belonging to the working class, the middle class, or the upper or lower class. Would you describe yourself as belonging to the: 1=Lower class, 2=Working class, 3=Lower middle class, 4=Upper middle class, 5=Upper class”. “Income” is coded based on the response to the question: “Here is a scale of incomes. We would like to know in what group your household is, counting all wages, salaries, pensions and other incomes that come in. Just give the letter of the group your household falls into, before taxes and other deductions” (income categories are coded by decile for each society, 1=lowest decile, 10=highest decile). “Raised religiously” is an indicator variable equal to one if the respondent answered positively to the question “Were you brought up religiously at home?”. It is equal to zero otherwise. “Currently religious” is an indicator variable that is equal to one if the respondent attend religious services (apart from weddings, funerals and christenings) at least once a year. It is zero otherwise. “Actively religious” is an indicator variable that is equal to one if the respondent attend religious services (apart from weddings, funerals and christenings) at least once a week. It is zero otherwise. “Raised religiously if belonging to the dominant religion” is an indicator variable equal to one if “Raised religiously” is equal to one and the respondent belongs to the dominant religion in his/her country. “Currently religious if belonging to the dominant religion” is an indicator variable equal to one if “Currently religious” is equal to one and the respondent belongs to the dominant religion in his/her country. “Actively religious if belonging to the dominant religion” is an indicator variable equal to one if “Actively religious” is equal to one and the respondent belongs to the dominant religion in his/her country. All the regressions include demographic controls (health, male, age, education, social class, income), a country fixed effect and survey-year dummy. Standard errors are reported in brackets.

Panel A: Attitudes towards the others and the government

	Trust people (0,1)	Intolerant towards other races (0,1)	Intolerant towards the immigrants (0,1)	Average intolerance	Trust the government	Trust the police	Trust the armed forces
Raised religiously	.0162 (.0055)	.0162 (.0136)	-.0209 (.0103)	-.0285 (.0106)	.0015 (.0038)	-.0013 (.0041)	-.0029 (.0029)
Currently religious	.0096 (.0056)	.0096 (.0145)	.0963 (.0106)	.1072 (.0109)	.0049 (.0039)	.0022 (.0042)	.0147 (.0029)
Actively religious	.0347 (.0079)	.0347 (.0207)	.0508 (.0148)	.0244 (.0153)	.0098 (.0055)	-.0002 (.0060)	-.00002 (.0042)
Raised religiously if belonging to the dominant religion	-.020 (.0059)	-.0201 (.0154)	.0908 (.0111)	.0866 (.0114)	.0128 (.0041)	.0127 (.0045)	.0139 (.0031)
Currently religious if belonging to the dominant religion	.0029 (.0064)	.0029 (.0170)	.0095 (.0121)	.0656 (.0125)	.0007 (.0045)	.0016 (.0049)	.0030 (.0034)
Actively religious if belonging to the dominant religion	.0012 (.0090)	.0012 (.0238)	.0664 (.0170)	.0886 (.0175)	-.0009 (.0063)	.0045 (.0069)	.0080 (.0048)
Number of obs =	93,967	50,975	91,866	92,262	93,812	89,893	87,574
R squared	0.0997	0.14	0.18	0.17	0.06	0.06	0.25

Panel B: Attitudes towards legal rules

	Is it justified to claim government benefits you are not entitled to?	Is it justified to avoid a fare on public transport?	Is it justified to cheat on taxes?	Is it justified to buy a stolen object?	Is it justified to accept a bribe?
Raised religiously	-.06116 (.02712)	-.14528 (.0290)	-.1341 (.0300)	-.0888 (.02056)	-.0772 (.02042)
Currently religious	.04906 (.02791)	.0310 (.0298)	-.0635 (.0309)	-.02587 (.02114)	.03917 (.02100)
Actively religious	-.1391 (.0390)	-.3360 (.0418)	-.4169 (.0433)	-.25564 (.02963)	-.16999 (.02944)
Raised religiously if belonging to the dominant religion	-.0122 (.0291)	-.0822 (.0312)	-.0582 (.0323)	-.03858 (.02210)	.02841 (.02195)
Currently religious if belonging to the dominant religion	-.0702 (.0320)	-.1221 (.0341)	-.0875 (.0354)	-.08110 (.02421)	-.08392 (.02405)
Actively religious if belonging to the dominant religion	.0508 (.0447)	.2141 (.0479)	.1917 (.0496)	.13373 (.03398)	.09576 (.03376)
Number of obs	90,250	91,088	90,466	91,210	91,294
=					
R squared	0.12	0.11	0.09	0.06	0.06

Panel C: Attitudes towards the market

	Inequality of income gives incentives to individuals versus income should be made more equal	Private ownership should be increased versus government ownership should be increased	Individual responsibilit y versus government assistance	Competition is good versus competition is harmful	Hard work improves life versus success is more a matter of luck and connections.	Wealth can grow so there's enough for everyone versus one can get rich only at expense of others
Raised religiously	-.0268 (.0368)	-.0745 (.0353)	-.1222 (.0368)	-0.0597 (.0322)	.0558 (.0371)	.0388 (.0362)
Currently religious	.0816 (.0403)	.1798 (.0386)	.1317 (.0404)	0.1207 (.0352)	.1884 (.0405)	.1510 (.0397)
Actively religious	.0653 (.0574)	.0920 (.0550)	.1176 (.0573)	-.0282 (.0502)	.2610 (.0578)	.0898 (.0564)
Raised religiously if belonging to the dominant religion	-.0150 (.0413)	.0410 (.0396)	.1723 (.0410)	.1277 (.0360)	.1539 (.0415)	-.0400 (.0405)
Currently religious if belonging to the dominant religion	-.0802 (.0472)	-.0032 (.0452)	-.0922 (.0471)	-.0646 (.0412)	-.0743 (.0474)	.0060 (.0464)
Actively religious if belonging to the dominant religion	-.0474 (.0660)	-.0169 (.0633)	-.0813 (.0654)	.0236 (.0577)	-.1155 (.0664)	.1351 (.0647)
Number of obs =	72,515	70,286	75,480	71,654	72,641	70,872
R squared	0.09	0.14	0.16	0.06	0.07	0.04

Table 4: The role of religious denominations

Table 4: The role of religious denominations

Entries in the table are the coefficients of the variables obtaining interacting the variables in the first column with those in the first row, first three variables); entries in the last two columns of the table are the sum of the coefficients of the specified variables. They should be interpreted as the effect on the left hand side variable of attending a given religion denomination sometimes and being educated religiously, of being raised religiously and attend frequently, respectively, relatively to non-religious individuals. See notes to Table 1c for the meaning of the left-hand side variables. In the first three columns, standard errors are reported in parenthesis; in the last two columns p-values for the F-test that the coefficient is equal to zero are reported in parenthesis.

A. General trust (N. of observations: 85,906; R²: 0.10)

	Raised religiously	Currently religious	Actively religious	Raised religiously +Current Religious	Raised religiously +Currently Religious+ Actively Religious
Catholic	-.0085 (.0055)	.0084 (.0052)	.0463 (.0053)	-0.0001 (0.984)	0.0462 (0.000)
Protestant	.0043 (.0075)	.0335 (.0068)	.0304 (.0094)	0.0378 (0.000)	0.0682 (0.000)
Jew	.0364 (.0443)	.0218 (.0408)	-.0669 (.0499)	0.0582 (0.200)	-0.0087 (0.765)
Muslim	-.0073 (.0136)	.0226 (.0152)	.0014 (.0163)	0.0153 (0.327)	0.0167 (0.2904)
Hindu	.0266 (.0597)	-.0007 (.0872)	.0207 (.0883)	0.0259 (0.717)	0.0465 (0.433)
Buddhist	-.0133 (.0353)	-.0058 (.0217)	.0093 (.0608)	-0.0190 (0.604)	-0.0097 (0.879)
Others	.0245 (.0084)	.0082 (.0079)	.0118 (.0125)	0.0327 (0.0003)	0.0446 (0.0002)

B. Intolerant towards other races and/or the immigrants (N. of observations: 79,826; R²: 0.26)

	Raised religiously	Currently religious	Actively religious	Raised religiously +Current Religious	Raised religiously +Currently Religious+ Actively Religious
Catholic	.0058 (.0030)	.0197 (.0028)	.0041 (.0030)	0.0255 (0.000)	0.0296 (0.000)
Protestant	.0033 (.0039)	.0172 (.0036)	.0090 (.0050)	0.0204 (0.000)	0.0294 (0.000)
Jew	.0221	.0415	-.0071	0.0635	0.0565

	(.0232)	(.0212)	(.0259)	(0.007)	(0.0002)
Muslim	.0089	.0509	.0108	0.0598	0.0705
	(.0072)	(.0080)	(.0085)	(0.000)	(0.000)
Hindu	.0748	-.0456	.0274	0.0291	0.0566
	(.0309)	(.0452)	(.0457)	(0.4306)	(0.066)
Buddhist	.0459	-.0133	.0239	0.0326	0.0565
	(.0187)	(.0113)	(.0315)	(0.091)	(0.087)
Others	.0130	.0052	-.0179	0.0183	3.5E-04
	(.0044)	(.0041)	(.0065)	(0.0001)	(0.955)

C. Trust the government (N. of observations: 46,092; R²: 0.14)

	Raised religiously	Currently religious	Actively religious	Raised religiously +Current Religious	Raised religiously +Currently Religious+ Actively Religious
Catholic	.0049 (.0157)	.1351 (.0154)	.0227 (.0154)	0.1400 (0.000)	0.1627 (0.000)
Protestant	-.0047 (.0207)	.1253 (.0225)	-.0162 (.0279)	0.1207 (0.000)	0.1045 (0.000)
Jew	.1768 (.1125)	.0400 (.1108)	-.0537 (.1168)	0.2168 (0.038)	0.1631 (0.007)
Muslim	.1805 (.0277)	.1183 (.0311)	.1817 (.0325)	0.2988 (0.000)	0.4805 (0.000)
Hindu	.4628 (.1162)	.1919 (.1706)	-.0676 (.1738)	0.6547 (0.000)	0.5871 (0.000)
Buddhist	.2429 (.1543)	-.0191 (.1601)	-.0430 (.2362)	0.2237 (0.186)	0.1808 (0.351)
Others	.1152 (.0179)	.0082 (.0169)	.0443 (.0281)	0.1234 (0.000)	0.1677 (0.000)

D. It is justified to cheat on taxes? (N. of observations: 82,558=; R²: 0.09)

	Raised religiously	Currently religious	Actively religious	Raised religiously +Current Religious	Raised religiously +Currently Religious+ Actively Religious
Catholic	-.2054 (.0301)	-.0971 (.0283)	-.2213 (.0289)	-0.3025 (0.000)	-0.5238 (0.000)
Protestant	-.1985 (.0405)	-.3352 (.0370)	-.3550 (.0510)	-0.5338 (0.000)	-0.8887 (0.000)
Jew	-.5796 (.2390)	.0329 (.2206)	-.4651 (.2689)	-0.5467 (0.026)	-1.0118 (0.000)
Muslim	-.2869 (.0898)	-.0096 (.0963)	.0464 (.1045)	-0.2966 (0.002)	-0.2502 (0.011)
Hindu	-.3767 (.3231)	.0464 (.4697)	-.0213 (.4769)	-0.3302 (0.393)	-0.3515 (0.280)
Buddhist	-.0340 (.1916)	-.0449 (.1201)	-.2639 (.3365)	-0.0789 (0.693)	-0.3429 (0.326)
Others	-.1806 (.0462)	.0897 (.0437)	-.4699 (.0686)	-0.0909 (0.068)	-0.5608 (0.000)

E. It is justified to accept a bribe? (N. of observations: 83,325=; R²: 0.07)

	Raised religiously	Currently religious	Actively religious	Raised religiously +Current Religious	Raised religiously +Currently Religious+ Actively Religious
Catholic	-.1040 (.0205)	.0248 (.0193)	-.0781 (.0197)	-0.0792 (0.000)	-0.1573 (0.000)
Protestant	-.0181 (.0277)	-.1105 (.0253)	-.1440 (.0349)	-0.1286 (0.000)	-0.2726 (0.000)
Jew	-.2056 (.1658)	.1569 (.1522)	-.4311 (.1863)	-0.0487 (0.774)	-0.4798 (0.000)
Muslim	.4400 (.0610)	-.6530 (.0655)	.0615 (.0709)	-0.2130 (0.001)	-0.1515 (0.025)
Hindu	-.2037 (.2210)	.0759 (.3237)	-.0531 (.3289)	-0.1279 (0.633)	-0.1810 (0.416)
Buddhist	-.0702 (.1317)	-.0250 (.0822)	-.0999 (.2282)	-0.0952 (0.488)	-0.1951 (0.412)
Others	-.0523 (.0312)	.0477 (.0295)	-.2417 (.0460)	-0.0046 (0.891)	-0.2463 (0.000)

**F. Inequality of income gives incentives to individuals versus income should be made more equal
(N. of observations: 64,972; R²: 0.10)**

	Raised religiously	Currently religious	Actively religious	Raised religiously +Current Religious	Raised religiously +Currently Religious+ Actively Religious
Catholic	.0157 (.0408)	-.0095 (.0398)	-.0106 (.0397)	0.0061 (0.885)	-0.0044 (0.920)
Protestant	.0595 (.0531)	.0388 (.0564)	.0914 (.0750)	0.0983 (0.091)	0.1897 (0.004)
Jew	-.1855 (.3569)	.1916 (.3416)	.0863 (.3647)	0.0061 (0.985)	0.0924 (0.633)
Muslim	-.3103 (.0900)	.0218 (.1014)	.1768 (.1062)	-0.2886 (0.004)	-0.1117 (0.273)
Hindu	.0764 (.3794)	.2635 (.5575)	.2145 (.5646)	0.3398 (0.459)	0.5543 (0.142)
Buddhist	-.3563 (.2775)	.2128 (.2711)	.2352 (.5460)	-0.1435 (0.606)	0.0917 (0.861)
Others	-.1615 (.0551)	.0318 (.0529)	.0894 (.0835)	-0.1297 (0.029)	-0.0404 (0.610)

G. Private ownership should be increased versus government ownership should be increased

(N. of observations: 62,986; R²: 0.14)

	Raised religiously	Currently religious	Actively religious	Raised religiously +Current Religious	Raised religiously +Currently Religious+ Actively Religious
Catholic	.0216 (.0394)	.2099 (.0387)	.1389 (.0386)	0.2315 (0.0000)	0.3704 (0.000)
Protestant	.2400 (.0508)	.0827 (.0539)	-.0445 (.0718)	0.3228 (0.000)	0.2782 (0.000)
Jew	-.0154 (.3286)	-.1504 (.3197)	.4268 (.3405)	-0.1658 (0.579)	0.2611 (0.155)
Muslim	-.1483 (.0839)	.2572 (.0946)	-.5020 (.0999)	0.1089 (0.253)	-0.3931 (0.000)
Hindu	.5330 (.3647)	-.4831 (.5271)	.2141 (.5317)	0.0499 (0.907)	0.2640 (0.463)
Buddhist	-.1179 (.2804)	.2952 (.2770)	.4534 (.5572)	0.1773 (0.531)	0.6307 (0.233)
Others	-.3171 (.0524)	.0801 (.0502)	.3474 (.0795)	-0.2370 (0.000)	0.1104 (0.143)

H. Competition is good versus competition is harmful (N. of observations: 64,176; R²: 0.04)

	Raised religiously	Currently religious	Actively religious	Raised religiously +Current Religious	Raised religiously +Currently Religious+ Actively Religious
Catholic	.1578 (.0341)	-.0035 (.0349)	.0579 (.0348)	0.1543 (0.000)	0.2122 (0.000)
Protestant	.1309 (.0462)	.0325 (.0489)	-.0743 (.0651)	0.1634 (0.001)	0.0891 (0.121)
Jew	-.5001 (.2994)	.5543 (.2926)	.0755 (.3100)	0.0542 (0.843)	0.1297 (0.436)
Muslim	-.4770 (.0773)	.1746 (.0873)	.0241 (.0917)	-0.3024 (0.001)	-0.2783 (0.002)
Hindu	-.1246 (.3291)	-.4026 (.4802)	.5846 (.4877)	-0.5272 (0.180)	0.0574 (0.861)
Buddhist	-.2233 (.2413)	.4204 (.2347)	-.8988 (.4739)	0.1971 (0.415)	-0.7017 (0.120)
Others	-.0425 (.0483)	.0820 (.0464)	-.2034 (.0734)	0.0395 (0.448)	-0.1639 (0.018)

Table 5. Interacting religious denominations and dominant religion

Entries in the table are the sum of the coefficients of the specified variables. They should be interpreted as the effect on the left hand side variable of being raised religiously, of attending a given religion denomination sometimes and being educated religiously, of being raised religiously and attend frequently, respectively, relatively to a non- religious person. See notes to Table 1c for the meaning of the variables. *p*-values for the *F* test that the coefficient is equal to zero are reported in parenthesis.

A. General trust

	Dominant religion								
	Catholic			Protestant			Muslim		
	Raised religiously	Raised +Cur. Rel.	Raised+Cur. Rel.+ Ac. Rel.	Raised religiously	Raised +Cur. Rel.	Raised+Cur. Rel.+ Ac. Rel.	Raised religiously	Raised +Cur. Rel.	Raised+Cur. Rel.+ Ac. Rel.
Catholic	-.0184 (.009)	-.0167 (0.0341)	.0290 (0.0004)	-.0036 (0.796)	.0283 (0.0167)	.0688 (0.000)	.0688 (0.138)	-.0061 (0.889)	.1088 (0.000)
Protestant	-.0029 (0.872)	.0393 (0.0374)	.0676 (0.0001)	.0081 (0.409)	.0441 (0.0001)	.0970 (0.000)	.0089 (0.808)	.2282 (0.000)	.0304 (0.254)
Jew	.0239 (0.813)	.0027 (0.978)	-.0703 (0.210)	.0576 (0.682)	.0805 (0.299)	.1076 (0.210)	.0554 (0.523)	.0236 (0.446)	-.0970 (0.619)
Muslim	.0783 (0.303)	.0137 (0.892)	.1394 (0.185)	-.1771 (0.064)	-.01213 (0.203)	.0339 (0.758)	-.0052 (0.498)	.0050 (0.767)	.0019 (0.908)
Hindu	NA	NA	NA	NA	NA	NA	.0066 (0.898)	.0209 (0.662)	-.0103 (0.741)
Buddhist	.4348 (0.000)	.6719 (0.001)	.1692 (0.229)	-.2781 (0.078)	.1605 (0.409)	-.0692 (0.620)	NA	NA	NA
Others	.0251 (0.300)	.0194 (0.539)	.0437 (0.047)	-.0358 (0.179)	.0509 (0.300)	-.0105 (0.020)	.0483 (0.255)	.1230 (0.001)	-.0153 (0.720)
N. observ.	37,328	37,328	37,328	23,719	23,719	23,719	6,972	6,972	6,972

B. Intolerant towards other races and/or the immigrants

	Dominant religion								
	Catholic			Protestant			Muslim		
	Raised religiously	Raised +Cur. Rel.	Raised+Cur. Rel.+ Ac. Rel.	Raised religiously	Raised +Cur. Rel.	Raised+Cur. Rel.+ Ac. Rel.	Raised religiously	Raised +Cur. Rel.	Raised+Cur. Rel.+ Ac. Rel.
Catholic	.0081 (0.052)	.0334 (0.000)	.0364 (0.000)	-.0154 (0.015)	-.0027 (0.6753)	-.0062 (0.366)	-.0125 (0.621)	.0545 (0.057)	.0717 (0.000)
Protestant	.0007 (0.950)	.0329 (0.003)	.0109 (0.309)	.0090 (0.046)	.0209 (0.000)	.0344 (0.000)	.0406 (0.043)	.0336 (0.260)	.0752 (0.000)
Jew	-.0149 (0.799)	.0647 (0.243)	-.0700 (0.433)	.0111 (0.757)	.0496 (0.164)	.0602 (0.127)	.0798 (0.091)	-.0123 (0.827)	.0795 (0.0001)
Muslim	-.0109 (0.800)	.0536 (0.853)	-.0109 (0.853)	.0254 (0.564)	-.0373 (0.396)	.0398 (0.432)	.0074 (0.313)	.0760 (0.000)	.0963 (0.000)
Hindu	NA	NA	NA	NA	NA	NA	.0907 (0.001)	.0516 (0.132)	.0757 (0.008)
Buddhist	.0230 (0.746)	.1418 (0.298)	-.0192 (0.810)	.1257 (0.083)	.0539 (0.410)	.1836 (0.094)	NA	NA	NA
Others	-.0316 (0.033)	-.0444 (0.018)	.0112 (0.388)	.0300 (0.015)	-.0059 (0.641)	-.0077 (0.764)	.0376 (0.109)	.0416 (0.042)	.0437 (0.061)
N. observ.	32,297	32,297	32,297	23,623	23,623	23,623	6,865	6,865	6,865

C. Trust the government

	Dominant religion								
	Catholic			Protestant			Muslim		
	Raised religiously	Raised +Cur. Rel.	Raised+Cur. Rel.+ Ac. Rel.	Raised religiously	Raised +Cur. Rel.	Raised+Cur. Rel.+ Ac. Rel.	Raised religiously	Raised +Cur. Rel.	Raised+Cur. Rel.+ Ac. Rel.
Catholic	.0490 (0.010)	.1939 (0.000)	.2298 (0.000)	-.0304 (0.406)	.1640 (0.000)	.2250 (0.000)	.1294 (0.245)	-.0861 (0.409)	.0024 (0.6906)
Protestant	.0865 (0.049)	.0788 (0.0005)	.0629 (0.000)	.0010 (0.964)	.1543 (0.000)	.1742 (0.000)	.0089 (0.919)	.0341 (0.788)	.0014 (0.9825)
Jew	-.0250 (0.927)	.1395 (0.577)	-.6834 (0.110)	-.1430 (0.384)	.0483 (0.740)	.3453 (0.053)	.5702 (0.008)	.1558 (0.587)	.2392 (0.006)
Muslim	.4269 (0.161)	.5839 (0.0187)	.2277 (0.441)	.9843 (0.000)	.6125 (0.0014)	1.012 (0.0004)	.1593 (0.000)	.3126 (0.000)	.4713 (0.000)
Hindu	NA	NA	NA	NA	NA	NA	.4267 (0.000)	.6223 (0.000)	.5571 (0.000)
Buddhist	.5229 (0.189)	.9794 (0.172)	.1124 (0.737)	-.0359 (0.900)	.1188 (0.612)	.1185 (0.782)	NA	NA	NA
Others	.0420 (0.504)	.125 (0.014)	.1234 (0.018)	.1564 (0.001)	.1704 (0.0005)	.1416 (0.010)	-.0288 (0.635)	.1791 (0.0005)	.6361 (0.0013)
N. observ.	17,315	17,315	17,315	8,928	8,928	8,928	6,735	6,735	6,735

D. It is justified to cheat on taxes?

Dominant religion

	Catholic			Protestant			Muslim		
	Raised religiously	Raised +Cur. Rel.	Raised+Cur. Rel.+ Ac. Rel.	Raised religiously	Raised +Cur. Rel.	Raised+Cur. Rel.+ Ac. Rel.	Raised religiously	Raised +Cur. Rel.	Raised+Cur. Rel.+ Ac. Rel.
Catholic	-.2294 (0.000)	-.3271 (0.000)	-.5398 (0.000)	-.2067 (0.002)	-.4185 (0.000)	-.7575 (0.000)	.5127 (0.059)	.4552 (0.073)	.1152 (0.457)
Protestant	-.3793 (0.000)	-.5119 (0.000)	-.8019 (0.000)	-.2785 (0.000)	-.6890 (0.000)	-1.164 (0.000)	-.1594 (0.453)	.6340 (0.042)	-.1791 (0.265)
Jew	-1.005 (0.082)	-.7650 (0.172)	-1.453 (0.096)	-.2422 (0.515)	-.1535 (0.6785)	-1.607 (0.0001)	-.9119 (0.068)	-.8919 (0.136)	-.2039 (0.339)
Muslim	-.2191 (0.615)	-1.0112 (0.080)	-.5681 (0.345)	-.3686 (0.422)	-.5801 (0.204)	-.8319 (0.118)	-.1550 (0.116)	.0072 (0.951)	.0449 (0.714)
Hindu	NA	NA	NA	NA	NA	NA	-.1173 (0.698)	.0018 (0.996)	-.0719 (0.816)
Buddhist	-.2899 (0.656)	-.6868 (0.564)	-1.0544 (0.190)	-.5184 (0.492)	-.3437 (0.613)	-.4856 (0.669)	NA	NA	NA
Others	-.0977 (0.482)	-.2309 (0.219)	-.8335 (0.000)	-.3291 (0.010)	-.1421 (0.287)	-1.154 (0.000)	-.0103 (0.968)	.4482 (0.042)	.0711 (0.777)
N. observ.	36,409	36,409	36,409	23,478	23,478	23,478	5,589	5,589	5,589

**E. It is justified to accept a bribe?
Dominant religion**

	Catholic			Protestant			Muslim		
	Raised religiously	Raised +Cur. Rel.	Raised+Cur. Rel.+ Ac. Rel.	Raised religiously	Raised +Cur. Rel.	Raised+Cur. Rel.+ Ac. Rel.	Raised religiously	Raised +Cur. Rel.	Raised+Cur. Rel.+ Ac. Rel.
Catholic	-.0793 (0.005)	-.0706 (0.026)	-.1255 (0.0001)	-.1239 (0.002)	-.0807 (0.051)	-.3029 (0.000)	-.0397 (0.858)	-.2916 (0.163)	-.1985 (0.119)
Protestant	-.1253 (0.079)	-.1773 (0.018)	-.1912 (0.004)	-.0584 (0.041)	-.1588 (0.000)	-.3550 (0.000)	-.0034 (0.984)	-.5361 (0.037)	-.4057 (0.002)
Jew	-.1550 (0.702)	.6120 (0.018)	-.1937 (0.751)	.1631 (0.474)	.0184 (0.935)	-.1672 (0.512)	-.8750 (0.000)	.1760 (0.728)	-.5632 (0.001)
Muslim	.4577 (0.143)	-.1458 (0.723)	-.4675 (0.281)	-.5172 (0.063)	.1238 (0.654)	-.4285 (0.187)	.5349 (0.000)	-.3050 (0.001)	-.2805 (0.005)
Hindu	NA	NA	NA	NA	NA	NA	-.2607 (0.295)	-.2104 (0.492)	-.3390 (0.183)
Buddhist	.0378 (0.934)	.0211 (0.980)	-.4928 (0.380)	-.1077 (0.814)	.3530 (0.391)	.0831 (0.904)	NA	NA	NA
Others	.1383 (0.153)	-.0792 (0.535)	-.1835 (0.038)	-.1368 (0.077)	-.0228 (0.776)	-.3492 (0.000)	-.0040 (0.985)	-.2612 (0.151)	-.5230 (0.011)
N. observ.	36,721	36,721	36,721	23,484	23,484	23,484	5,622	5,622	5,622

**F. Inequality of income gives incentives to individuals versus income should be made more equal
Dominant religion**

	Catholic			Protestant			Muslim		
	Raised religiously	Raised +Cur. Rel.	Raised+Cur. Rel.+ Ac. Rel.	Raised religiously	Raised +Cur. Rel.	Raised+Cur. Rel.+ Ac. Rel.	Raised religiously	Raised +Cur. Rel.	Raised+Cur. Rel.+ Ac. Rel.
Catholic	.0668 (0.197)	.0387 (0.519)	.0034 (0.971)	-.0458 (0.615)	.0320 (0.701)	.0268 (0.766)	-.2972 (0.430)	.3893 (0.271)	-.0619 (0.768)
Protestant	.0063 (0.962)	.0938 (0.494)	.2976 (0.019)	.1086 (0.051)	.2106 (0.001)	.2840 (0.002)	-.1374 (0.647)	.1396 (0.748)	.2192 (0.314)
Jew	.0948 (0.900)	.1269 (0.856)	-1.0971 (0.353)	-.1302 (0.806)	.1378 (0.765)	-1.0802 (0.060)	-.2347 (0.759)	1.4863 (0.103)	.5141 (0.082)
Muslim	.0629 (0.910)	-.7385 (0.300)	.5675 (0.461)	-.9868 (0.159)	.4142 (0.486)	.2425 (0.769)	-.4578 (0.000)	-.5160 (0.0002)	-.2954 (0.034)
Hindu	NA	NA	NA	NA	NA	NA	-.0998 (0.813)	.1752 (0.735)	.2267 (0.592)
Buddhist	-.4445 (0.574)	2.2755 (0.144)	-.4995 (0.615)	-.4137 (0.882)	-.5283 (0.496)	-.1728 (0.903)	NA	NA	NA
Others	.3276 (0.063)	.0914 (0.694)	.2338 (0.132)	-.1044 (0.000)	.5935 (0.0001)	.1798 (0.286)	-.3518 (0.309)	-.9440 (0.002)	-.1558 (0.654)
N. observ.	27,838	27,838	27,838	15,206	15,206	15,206	6,739	6,739	6,739

G. Private ownership should be increased versus government ownership should be increased

Dominant religion

	Catholic			Protestant			Muslim		
	Raised religiously	Raised +Cur. Rel.	Raised+Cur. Rel.+ Ac. Rel.	Raised religiously	Raised +Cur. Rel.	Raised+Cur. Rel.+ Ac. Rel.	Raised religiously	Raised +Cur. Rel.	Raised+Cur. Rel.+ Ac. Rel.
Catholic	.0064 (0.893)	.2003 (0.0002)	.2810 (0.000)	-.0226 (0.783)	.0714 (0.341)	.2561 (0.002)	-.1057 (0.787)	.5042 (0.168)	-.2592 (0.234)
Protestant	.1973 (0.107)	.1872 (0.135)	.0047 (0.968)	.1629 (0.001)	.2389 (0.000)	.1915 (0.018)	.1651 (0.596)	.9007 (0.048)	-.0543 (0.810)
Jew	-.7927 (0.261)	-.7035 (0.269)	-.2168 (0.853)	.6905 (0.853)	.1526 (0.705)	.0230 (0.964)	-.9745 (0.206)	-.1009 (0.908)	-.4582 (0.136)
Muslim	.8795 (0.094)	-.3565 (0.588)	.9415 (0.174)	-.8826 (0.156)	-.7391 (0.161)	-.9927 (0.176)	-.1244 (0.275)	.2429 (0.092)	-.3179 (0.027)
Hindu	NA	NA	NA	NA	NA	NA	.6161 (0.165)	.1058 (0.842)	.3295 (0.456)
Buddhist	-.3920 (0.586)	-1.826 (0.193)	0.129 (0.888)	-.1902 (0.822)	-1.212 (0.094)	1.349 (0.286)	NA	NA	NA
Others	-.1185 (0.458)	-.0145 (0.810)	.1530 (0.124)	-.2214 (0.101)	-.4665 (0.001)	.0218 (0.885)	-.0572 (0.873)	-.4337 (0.167)	-.3901 (0.281)
N. observ.	26,281	26,281	26,281	14,908	14,908	14,908	6,831	6,831	6,831

H. Competition is good versus competition is harmful

Dominant religion

	Catholic			Protestant			Muslim		
	Raised religiously	Raised +Cur. Rel.	Raised+Cur. Rel.+ Ac. Rel.	Raised religiously	Raised +Cur. Rel.	Raised+Cur. Rel.+ Ac. Rel.	Raised religiously	Raised +Cur. Rel.	Raised+Cur. Rel.+ Ac. Rel.
Catholic	.2306 (0.000)	.2228 (0.000)	.2389 (0.000)	.0115 (0.879)	.0630 (0.364)	.0166 (0.825)	-0.281 (0.360)	0.612 (0.029)	0.363 (0.029)
Protestant	.1432 (0.229)	.1546 (0.207)	-.0156 (0.890)	.1338 (0.004)	.1746 (0.001)	.0896 (0.233)	.0131 (0.578)	-0.047 (0.891)	0.429 (0.013)
Jew	-.3752 (0.577)	.2270 (0.715)	.3721 (0.723)	.5355 (0.214)	.6056 (0.112)	.4026 (0.399)	-1.556 (0.005)	-0.502 (0.451)	0.329 (0.159)
Muslim	-.0149 (0.976)	.0022 (0.997)	.1191 (0.867)	-1.329 (0.023)	-.6226 (0.208)	-.4035 (0.558)	-0.398 (0.000)	-0.167 (0.131)	-0.149 (0.176)
Hindu	NA	NA	NA	NA	NA	NA	-0.047 (0.888)	-0.425 (0.293)	0.098 (0.772)
Buddhist	-.4150 (0.556)	.1495 (0.914)	-.9785 (0.268)	.1112 (0.886)	.1985 (0.758)	.9512 (0.423)	-1.138 (0.345)	N.A.	N.A.
Others	.4992 (0.001)	.1490 (0.481)	.0384 (0.783)	.0613 (0.625)	-.0604 (0.6337)	-.0978 (0.489)	-0.549 (0.044)	0.265 (0.270)	-0.348 (0.207)
N. observ.	27,370	27,370	27,370	15,170	15,170	15,170	6,825	6,825	6,825