

Are Christian Nations Economically Free? Abstract

The events of September eleventh reminded us that all religions are not alike. This paper empirically examines whether religions make a difference to a nation's *economic* freedom.

The study uses the Index of Economic Freedom and data on the distribution of various religions found in the World Christian Encyclopedia.

Simple regressions indicate that nations with higher percentages of Christians have significantly greater freedom. When Christians are subdivided, nations with higher percentages of Roman Catholics, Protestants, Anglicans, Evangelicals, Pentecostals/Charismatics, and Great Commission Christians have greater freedom. The percentages of Independent and Orthodox Christians are unrelated to freedom.

Only two non-Christian religions make a difference individually. Nations with higher percentages of Jews have more freedom and those with higher percentages of Muslims have lower freedom. When religions are examined individually, only ethical monotheists (people of the book) matter. Baha'is, Buddhists, Hindus, Ethnoreligionists, the nonreligious and atheists have no effect.

Stepwise regression results indicate that Christians with denominational subsets of Protestants and Orthodox Christians explain 19.3% of *economic* freedom. Christians and the subtype of Great Commission Christians explain 22.9%. The greatest explanation of freedom is found from the percentages of Great Commission Christians, Protestants, Roman Catholics, and Buddhists. Together, these explain over twenty-eight percent of the variability in *economic* freedom across nations.

Although causality is not claimed, most of these world religions have existed for centuries or millennia and economic freedom is a relatively new concept, so it is logical to conclude that religion impacts freedom and not the other way around.

The question "Are Christian Nations Economically Free?" can be answered in the affirmative.

Are Christian Nations Economically Free?

Where the Spirit of the Lord is present, there is freedom—II Cor 3:17 & I Tim 2:17

Abstract:

This paper empirically examines whether Christianity makes a difference to a nation's *economic* freedom. Publicly available databases show that Christianity does matter to economic freedom and most other religions do not.

Introduction:

Briner's book, Roaring Lambs (1993) challenges readers to ask how their Christian faith can impact their culture. He asks why Christians have not made more of a difference. The events of September eleventh reminded us that all religions are not alike.

"Freedom of religion" commonly refers to the right of persons to practice their religious beliefs without governmental or societal interference. "Freedom of religion" could also refer to the freedom from condemnation provided by religious faith. However, if the religions practiced in a country affect that society's acceptance of the principle of freedom, "freedom of religion" could be used to describe that impact. This raises the question: Are Christian nations free?

This paper uses the Index of Economic Freedom (O'Driscoll, et al, 2001) as a measure of economic freedom and data from the World Christian Encyclopedia (2001) as a measure of the distribution of various religions.

Results indicate that nations with higher percentages of most Christian groups have significantly greater *economic* freedom. Only two non-Christian religions make a difference. Nations with higher percentages of Jews have more economic freedom and those with higher percentages of Muslims have lower economic freedom. Baha'is, Buddhists, Hindus, Ethnoreligionists, the non religious and atheists have no effect. It appears that Christianity, Judaism, and Islam each affect economic freedom. It is interesting to note that all three are monotheistic "people of the book".

When combinations of religions are considered, Great Commission Christians, Protestants, Roman Catholics, and Buddhists are the only groups that matter and the presence of each increases economic freedom. Collectively, these four groups explain 28.6% of countries' Economic Freedom Index.

Section I discusses the literature, Section II examines the data sources, Section III describes the methodology used, Section IV reports the findings, and the last section provides conclusions.

Section I: Literature Review

A search of the Bible reveals a multitude of references to freedom, mostly spiritual freedom. A sample includes:

He has sent me ...to proclaim *freedom* for the captives.... Isaiah 61:1

If you hold to my teaching, you are really my disciples. Then you will know the truth, and the truth will set you free. John 8:31-2.

The Law of the life-giving Spirit has set you *free* from the Law of Sin and Death. Rom 8:2

Where the Spirit of the Lord is present, there is *freedom*. II Cor 3:17 (& I Tim 2:17)

It is for freedom that Christ has set us free. Gal 5:1

God sent his own Son, born of a woman, born under the law, to purchase *freedom* for the subjects of the law, in order that we might attain the status of sons. Gal 4:4-5

You my friends, were called to be *free* men. Gal 5:13

In him we have access to God with *freedom*. Eph 3:12

Well you know that it was no perishable stuff, like gold or silver, that bought your *freedom* from the empty folly of your traditional ways. I Pet 1:18-19

Marshall's (2001) Religious Freedom Ranking indicates that the nations with the greatest religious freedom are the Christian ones. A working paper by the present author finds that 52.7% of the Religious Freedom Rank for a country can be explained by the percentage of Christians, Protestants, Great Commission Christians, and Muslims in the country's population. [The citation for this is omitted for blind reviewing.] Increasing percentages of the first three groups are significantly related to more religious freedom, while the last has the opposite effect.

The Heritage Foundation, produces the Index of Economic Freedom (O'Driscoll, et al, 2001) based on "liberality of trade policy, how much citizens are burdened by taxes and regulation, the soundness of monetary policy, whether property rights are protected, and the size of the black market". Researchers have found the Index correlated with economic growth.

Bockhorn's review of Novak's book, On Two Wings (2002), reminds us that "the Founders...believed that religious faith keeps liberty from degenerating into license and tyranny, because self government requires citizens who can first govern themselves." "What gave the Founders the courage to challenge the British was the conviction that their efforts to advance liberty were (in the Declaration's words) justified in the eyes of the 'Supreme Judge of the world'".

The State Department publishes a Religious Freedom Blacklist (Crosswalk, 2001). Three of the countries on the 2001 list--Iran, Iraq, and Myanmar--have Economic Freedom Indices between 145 and 155 out of 156 countries. China's ranking is 121. The other two, Sudan and Afghanistan, are not included in the Index since they "are all so void of a rule of law that they are impossible to analyze (O'Driscoll, et al, 2001). The State Department also publishes an Overview of State-Sponsored Terrorism (Global, 1999). The seven governments listed, Iran, Iraq, Syria, Libya, North Korea, Cuba, and Sudan, all have Indices between 146 and 155.

Tyndale House publishes a periodic list of Christian concerns. The nations in a recent list (Church, 2002) included Laos, Malaysia, Nigeria, North Korea, Pakistan, and Tajikistan. Two of these have Economic Freedom Indices of 151 and 155 and one is unranked.

An Iranian author, Amir Taheri (2001), points out that

All but one of the world's remaining military regimes are in Muslim countries. With the exception of Turkey and Bangladesh, there are no real elections in any Muslim country. Of the current 30 active conflicts in the world...28 concern Muslim governments and/or communities. Two-thirds of the world's political prisoners are held in Muslim countries, which also carry out 80% of all executions each year.

Attorney Arthur Orr (2001) lists attacks, restrictions, and even the use of Christians as human minesweepers in various Muslim nations.

Carroll and Shiflett (2001) point out that the history of Christianity is the story of the development of freedom, equality, tolerance, compassion, charity, concern for nature, civil rights, and abolition of slavery.

Seib (2001) reminds us that while the terrorist attacks of September 11 were being planned and executed, "U.S. troops were on the ground defending Muslims from persecution in Bosnia and Kosovo.... [and] the former Yugoslavia". It has been the U.S. that has led Israel to share part of Jerusalem with Muslims. And, "the one person on Earth responsible for the deaths of more Muslims than anyone else is himself a Muslim.... Saddam Hussein, who has ordered his troops to invade three Islamic nations...."

Lewis (2001), a major Islamic scholar, describes Islam's decline in the book What Went Wrong? He finds that Islam has gone from the religion of the world's leading countries to the religion of poor, despotic ones. The reasons include Islam's treatment of women, lack of compromise, lack of a concept of separation of church and state, inability to adapt to those it could not conquer, and search for scapegoats. Islam commands obedience rather than promoting understanding. It preaches conversion by force.

It is obvious that religion has an impact on freedom. The details of which religions impact freedom is an empirical question examined here.

Section II: Data Sources

There are several types of freedom that could be examined, including economic, religious, and political. Marshall's (2001) Religious Freedom Ranking could be employed here but it is not, however, the focus of this paper. [This author has another paper related to religious freedom.] It is not surprising that *religious* freedom is related to a country's religions.

Another available measure is The Index of Economic Freedom, which is in its eighth annual edition (O'Driscoll, et al, 2001). Although the Index is a measure of *economic* freedom, the results can be generalized to other freedoms. The Heritage foundation notes that "economically free countries exhibit greater tolerance and civility than economically repressed ones, where hopelessness and isolation foment fanaticism and terrorism."(O'Driscoll, et al, 2001). For those countries with both an Economic Freedom Index and a Religious Freedom Ranking (n=74), the present study finds the correlation between rankings is 0.776 with an R^2 of 0.584. This illustrates the ability to generalize from one freedom to another. For this paper, freedom refers to *economic* freedom unless otherwise designated.

The distribution of various religions is obtained from the World Christian Encyclopedia (2001). Other sources were discarded since each excluded many of the countries in the Index or only gave a listing of religions without numbers. This source omits only one. It gives percentage breakdowns by various Christian categories and several other religions. The Christian categories are not mutually exclusive. For example, denominational categories (i.e.: Roman Catholic, Protestant, etc.) overlap with other classes (i.e.: Evangelical, Pentecostal/Charismatic, etc.). This fact must be kept in mind when interpreting the results.

Some religions are clear while others need to be clarified. The definitions below are verbatim from the World Christian Encyclopedia (2001).

Independents. Separated from, uninterested in, and independent of historic denominationalist Christianity.

Evangelicals. A subdivision mainly of Protestants consisting of all affiliated church members calling themselves Evangelicals, or all persons belonging to Evangelical congregations, churches or denominations: characterized by commitment to personal religion.

Charismatics. Baptized members affiliated to nonpentecostal denominations who have entered into the experience of being filled with the Holy Spirit.

Great Commission Christians. Believers in Jesus Christ who are aware of the implications of Christ's Great Commission, who have accepted its personal challenge in their lives and ministries, are attempting to obey his commands and mandates, and who are seeking to influence the body of Christ to implement it.

Ethnoreligionists. Followers of a non-Christian or pre-Christian religion tied closely to a specific ethnic group, with membership restricted to that group; usually animists, polytheists, or shamanists. Older terminology: pagans, heathens, tribal religionists, traditional religionists. [In this paper the term is also used to include Chinese folk religionists and spiritists.]

Nonreligious. Persons professing no religion, no interest in religion; secularists, materialists; agnostics, but not militantly antireligious or atheists.

Atheists. Militantly anti-religious or anti-Christian agnostics, secularists, or marxists.

Section III: Methodology

Simple regressions are used to determine which individual religions are significantly related to the Economic Freedom Index and stepwise multiple regression is employed to evaluate combinations of religions.

Since religions are correlated, the fraction of the Freedom Index explained by a set of them is less than the total of the fractions explained by the religions individually. Several sets of religions are employed: Christian denominations (Christian, Roman Catholic, Protestant, Anglican, Orthodox, and Independent), Christian types (Christian, Evangelical, Pentecostal/Charismatic, and Great Commission Christians), and non-Christian religions (Muslim, Jewish, Baha'i, Buddhist, Hindu, Ethnoreligionist, Nonreligious, and Atheist).

The Freedom Index is regressed on each set separately using stepwise regression to determine the combination of two, three, etc. within each set that provides the greatest explanatory power. Finally, stepwise regression is applied to all the classes to determine the set of religions that explains economic freedom the best.

To determine whether a larger model increases R^2 enough to be significantly better than a smaller model, an F test is employed:

$$F = [(R^2_L - R^2_S)/(k_L - k_S)]/[(1 - R^2_L)/(N - k_L - 1)]$$

where: df = $(N - k_L - 1), (N - k_S - 1)$
 R^2_L = the R^2 of the larger model (more religious groups),
 R^2_S = the R^2 of the smaller model,
 k_L = the number of groups in the larger model,
 k_S = the number of groups in the smaller model, and
 N = the sample size.

Section IV: Findings

Table 1 shows the correlation, slope, significance level, and adjusted R^2 of the Freedom Index regressed individually on each group. The correlation is the Pearson Product-Moment correlation. Remembering that a smaller Index indicates higher ranking, a *negative* correlation indicates that religion is associated with *more* economic freedom.

The slope indicates the change in Freedom Index (from 1-156) associated with a one percent increase in the religion's membership. The sign has the same meaning as with correlation. The significance level is indicated to three decimals although some are much more significant than that. In the text, significance levels are reported in parentheses. For example, for each additional percent of Christians in the population, that country's Freedom Index changes -.0468. Christian nations are significantly (.000) freer.

The R^2 indicates the proportion of the variation in Freedom Index explained by that religion's membership. Adjusted R^2 are reported so those that are negative must be interpreted as zero. For example, the percentage of Christians in a nation explains 14.8% of that country's Freedom Index.

All but two of the Christian groups (Orthodox and Independent) are significantly related to the Freedom Index. The percentages of All Christians (0.000), Roman Catholics (0.002), Protestants (0.000), Anglicans (0.020), Evangelicals (0.014), Pentecostals/Charismatics (0.083), and Great Commission Christians (0.000) are significantly related to greater national freedom. The R^2 of Great Commission Christians is 0.202. For each additional percent of Great Commission Christians, the Index improves 1.773 points. The R^2 for All Christians is 0.148. For each additional percent of Christians, the Index improves 0.468 points.

Table 1
Simple Regressions on Economic Freedom

	Correlation	Slope	R ²	Significance
Christians:				
All denominations	-0.392	-0.468	0.148	0.000
Roman Catholic	-0.256	-0.323	0.059	0.002
Protestant	-0.319	-0.773	0.096	0.000
Anglican	-0.192	-1.597	0.030	0.020
Orthodox	0.118	0.289	0.007	0.154
Independent	-0.005	-0.030	-0.007	0.948
Evangelical	-0.203	-1.497	0.035	0.014
Pentecostal/Charismatic	-0.144	-0.593	0.014	0.083
Great Commission Christians	-0.455	-1.773	0.202	0.000
Non-Christian:				
Muslim	0.360	0.479	0.123	0.000
Baha'is	-0.046	-3.937	-0.005	0.579
Buddhist	-0.016	-0.050	-0.007	0.844
Jewish	-0.072	-0.509	-0.002	0.386
Jewish (Israel excluded)	-0.193	-27.025	0.031	0.020
Hindu	0.112	0.490	0.006	0.175
Ethnoreligions	0.104	0.414	0.004	0.212
Nonreligious	0.021	0.102	-0.006	0.804
Atheist	-0.011	-0.160	-0.007	0.897

Only two non-Christian groups matter. For every additional percent of Muslims in a country, the Freedom Index worsens by 0.479 points (0.000). The Muslim population's R² is 0.123. Jews require a separate explanation. Israel has a 77% Jewish population while no other country has more than 2%. Inclusion of Israel so distorts the data that Jews do not have any impact on Freedom. Exclusion of Israel reveals that for each additional percent of Jews in a country (other than Israel), that country's Index improves by 27.025 (0.020). (That number seems quite large, but remember that no other nation has more than 2% Jews.) The other non-Christian religions (Baha'is, Buddhists, Hindus, Ethnoreligionists, Nonreligious, and Atheists) have no impact on Freedom.

Stepwise regression of the Freedom Index on multiple denominations results in a two-factor model:

$$\text{Index} = 102.675 - 0.378 \text{ Christian} - 0.484 \text{ Protestant}, \quad (1)$$

(0.000) (0.000) (0.015)

and a three-factor model:

$$\text{Index} = 101.800 - 0.423 \text{ Christian} - 0.397 \text{ Protestant} + 0.371 \text{ Orthodox}. \quad (2)$$

(0.000) (0.000) (0.048) (0.051)

The first two groups' coefficients are negative indicating that the larger each group, the greater the freedom of the country. The Orthodox coefficient has a positive sign indicating that the presence of Orthodox Christians is related to less economic freedom.

Note that the impact of the categories is relatively balanced. An increase of one percent in each has an impact of approximately 0.4 or 0.5 units on the Index. Note also that the Orthodox category was not significant by itself, but helps explain economic freedom after the other two categories have reduced the total variance. The R²s of models (1) and (2) are 0.176 and 0.193. F tests show model (1) is significantly (0.000) better than Protestants alone and model (2) is significantly (0.018) better than model (1).

When the Freedom Index is regressed on types of Christians, the best model is:

$$\text{Index} = 108.763 - 1.342 \text{ Great Commission} - 0.251 \text{ Christian.} \quad (3)$$

(0.000) (0.000) (0.015)

Both factors have negative coefficients indicating that greater percentages of Great Commission Christians and Christians are related to more economic freedom. The proportional impact of a given percentage change in Great Commission Christians is more than five times as great as the impact of the same percentage change in Christians. The R² of 0.229 is significantly (0.000) better than either group alone.

Stepwise regression of the Economic Freedom Index on all Christian categories produces a two-factor model:

$$\text{Index} = 103.375 - 1.549 \text{ Great Commission} - 0.508 \text{ Protestant} \quad (4)$$

(0.000) (0.000) (0.006)

and a three-factor model:

$$\text{Index} = 108.2064 - 1.295 \text{ Great Commission} - 0.605 \text{ Protestant} \quad (5)$$

(0.000) (0.001) (0.001)

- 0.241 Roman Catholic (0.013)

Again, the larger each group is, the greater the country's freedom. This time, the impact of a given percentage change in the Great Commission variable is two to three times as great as the Protestant impact and the Protestant impact is more than twice that of the Roman Catholic impact. The R²s of models (4) and (5) are 0.237 and 0.265. In each case, F tests show that the larger model is significantly (0.000 and 0.000) better than the smaller one.

The best multiple regression model on the non-Christian religions is:

$$\text{Index} = 64.346 + 0.485 \text{ Muslim} + 0.546 \text{ Hindu.} \quad (6)$$

(0.000) (0.000) (0.100)

The R² is 0.133. The F test shows that model (6) is significantly (0.002) better than either group alone. The two coefficients are balanced so Muslims and Hindus have similar impacts, and the presence of either decreases economic freedom. Even though Hindus have no impact when measured alone, after the Muslim impact is removed, the percentage of Hindus helps to explain the remaining variance although the significance is marginal.

The final stepwise regression of the Freedom Index on all of the religious categories produces models identical to (4) and (5) along with:

$$\begin{aligned} \text{Index} = & 113.030 - 1.375 \text{ Great Commission} - 0.652 \text{ Protestant} \\ & (0.000) \quad (0.000) \quad (0.000) \\ & - 0.280 \text{ Roman Catholic} - 0.515 \text{ Buddhist.} \end{aligned} \quad (7)$$

(0.004) (0.022)

Model (7) is significantly (0.014) better than (5) with an R^2 of 0.286. Each religion contributes positively to religious freedom with Great Commission Christians having twice the impact of Protestants and Buddhists and three times the impact of Roman Catholics. The only non-Christian group in the final analysis is not significantly related to economic freedom by itself, but does help to explain the variance that remains in model (5).

Conclusions:

This paper examines the relationships between the Index of Economic Freedom and the distribution of various religions.

Simple regression results indicate that nations with higher percentages of Christians have significantly greater freedom. When Christians are subdivided, nations with higher percentages of Roman Catholics, Protestants, Anglicans, Evangelicals, Pentecostals/Charismatics, and Great Commission Christians have greater freedom. The percentages of Independent and Orthodox Christians are unrelated to freedom.

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Although causality is not claimed, most of these world religions have existed for centuries or millennia and economic freedom is a relatively new concept, so it is logical to conclude that religion impacts freedom and not the other way around.

The question: Are Christian Nations Economically Free? can be answered in the affirmative.

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