Part V
Empirical Results (Macro & Meso Components)

Part V consists of two main chapters: [1]

1. The quantitative part of this study (Chap. 15) corresponds to regression analysis, where the relationship between variables is used to test some prominent prosperity/corruption theories. This part does not seek to prove causation, but instead empirically explores whether a population's religious affiliation is related to competitiveness/transparency. Its empirical investigation also extends to studying the traditional paradigm of some common determinants of corruption that are related to *religious adherents*. Among others, the corruption model applied here tests the interrelations between *GDP*, *political liberties* (democracy proxy), and *language* and *ethnic fractionalisation*.
2. The second part (Chap. 16) advances the understanding of corruption and competitiveness with a more complex causal approach (QCA). Compared to the regression analysis, this approach expands on three aspects: first, qualitative proxy conditions for the institutional influence of religion (i.e. concordats); second, split measures of language and ethnic variables (instead of packed indices of fractionalised measurements); and third, the analysis of four short cases.

Recapitulation of Hypotheses and Empirical Expectations

Chapters 15 and 16 will empirically test the hypotheses and expectations advanced in Parts I and III. To facilitate the analysis, the hypotheses and empirical expectations are briefly restated here.

Hypotheses

Hypothesis 1: Roman Catholicism has negatively impacted prosperity (competitiveness and transparency) in Europe and the Americas.

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[1]*Note:* In the following sections, italics are used to identify variables or parameters.

Hypothesis 2: The Protestant Reformation has positively impacted prosperity (competitiveness and transparency) in Europe and the Americas.

Hypothesis 3: Environmental performance positively impacts prosperity in Europe and the Americas (i.e. moderating or moderated by the impact of religion).

Empirical Expectations

1. I expect the overwhelming empirical evidence available to confirm higher corruption rates in historically Roman Catholic countries than in historically Protestant countries (consistent with the title of this book articulated in Matthew 7: 15–23, *King James Bible*, 1769).

2. I expect the empirical evidence to corroborate a trend towards higher prosperity (competitiveness) in historically Protestant countries and lower competitiveness in historically Catholic countries. This expectation is based on abundant empirical studies linking higher prosperity outcomes with Protestantism at a cross-country level.

3. Given that economic prosperity, democracy, and transparency are part of the same phenomenon, I expect these factors to be highly correlated. My quantitative model on corruption (Sect. 15.3.4) considers proxy variables for all of these variables.

4. I expect higher transparency/prosperity levels in countries with Protestant-influenced legal origins (i.e. German, English, or Scandinavian) than in non-Protestant countries. The Protestant Reformation introduced the *Sola Scriptura* principle reflected in Protestant-influenced legal origins.

5. I expect lower prosperity/transparency levels in countries that have been influenced by the French legal system, in particular when they have strong clerical ties, and thus have been markedly influenced by Roman and canon law (as in Latin America).

6. Given the tradition of controversial and restrictive concordats, I expect a negative influence on transparency and prosperity in the respective concordatarian countries.

7. I expect a negative influence on prosperity/transparency in countries rooted in Socialist legal origins, in particular on account of the Soviet legal principle of the "goodness of humankind" (similar to Roman Catholic and Orthodox natural law).

8. I expect no conclusive results for ethnic fractionalisation given the possible overlapping of cultural proxies (Volonté, 2015) with other variables and given the varied conclusions of previous empirical results with aggregated measures.

9. I expect prosperity/transparency levels to be directly (positively) related to the proportion of Protestants and inversely (negatively) related to the proportion of Roman Catholics. This expectation is valid for the cross-country sample of Europe and the Americas, as confirmed by empirical studies (e.g. Chase, 2010; La Porta et al., 1997).

10. However, I do not expect a significant positive influence of the Protestant population on prosperity/transparency in Latin America. Firstly, Protestantism

in Latin America has been relatively recent compared to its five-hundred-year history of asserting the Reformation in Europe. In Latin America, Protestantism is a recent phenomenon. It dates back no more than 50 years, and its proportion has not surpassed 20% (Todd & Zurlo, 2016). Secondly, most of the Protestant growth in Latin America comes from Pentecostal currents, whose positive impact has been far weaker than historical Protestant denominations (Becker et al., 2016; McCleary, 2013; Woodberry, 2012).

11. I expect German and English-speaking countries to be more competitive/transparent than those speaking Roman languages. German and English are associated with the Reformation, whereas Roman languages are associated with the *status quo* of the Roman Empire, i.e. Roman Church-State.

12. I expect a robust positive relationship between the EPI and prosperity/transparency. However, I do not expect the EPI to explain the entire variability of GCI/CPI.

References

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