

Protestants and Catholics: Similar work ethic, different social ethic

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June 17, 2020

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Introduction

- **Author:** Benito Arruñada.
- **Published:** September, 2010
- This article compares the economically relevant values of Catholics and Protestants based on predictions that stem from differences in the theology, church organization and social practice of the two religions.

Important Information

- In all societies, individual behaviour is constrained by norms and rules that humans define and enforce by different means. Religion is one of these means.
- Religion helps people make a moral analysis of their actions.
- Christianity is related to the idea of salvation and eternal life in heaven. Protestant have a completely different idea.

Protestant Reformation

- Protestant Reformation changed how people consider the moral rules and how they are connected with "salvation".
- ① Changed the definition of salvation.
- ② The church doesn't help people be nearer to God.
- ③ Reformers were more supportive of political and legal institutions.

Catholics vs Protestants

- Catholics tend to help more family and friends rather than strangers.
- The ethic hypothesis says protestants work harder and more efficiently than catholics.
- The social hypothesis says that protestants care more about social interactions than catholics.

Data

- The model used data from the 1998 religion module of the International Social Survey Programme (ISSP).
- Using ISSP rather than World Bank data reduces the size of some variables, but, gives a better projection of how religion affects different types of independent variables.

Test

- The ethic hypothesis will be tested in working hours per week and personal success.
- The socia hypothesis will be tested in social controls, rule of law and homogeneous values.
- $$Y_i = \alpha_0 + \beta_1 \text{Faith} + \beta_2 \text{Religiousupbringing} + \beta_3 \text{Education} + \alpha_0 c\text{Catholic} + \beta_1 c\text{Catholic} * \text{Faith} + \beta_2 c\text{Catholic} * \text{ReligiousUpbringing} + \beta_3 c\text{Catholic} * \text{Education} + \sum_t (\beta_t \text{Control}_m \text{variables}) + \sum_r (\beta_r \text{Country}_n \text{dummies})$$

Model

	Hypotheses with corresponding dependent variables (units in parentheses)—estimated equations in columns											
	Work ethic hypothesis				Social ethic hypothesis							
					Social control			Rule of law			Homogeneous values	
	1	2	3	4	5	6	7	8	9	10	11	12
	<i>Working hours</i> (hours per week)	<i>Working hours > 0</i> (positive reported working hours)	<i>Working hours of workers</i> (hours per week of those with positive working hours)	<i>Success</i> (standard deviation of index)	<i>Volunteer</i> (standard deviation of index)	<i>Trust Church</i> (responses on a 1-5 scale)	<i>Religious practice</i> (standard deviation of index)	<i>Tolerance of tax fraud</i> (responses on a 1-4 scale)	<i>Cover up for friends</i> (responses on a 1-4 scale)	<i>Trust institutions</i> (standard deviation of index)	<i>Trust strangers</i> (responses on a 1-4 scale)	<i>Family importance</i> (differences in responses on a -3 to +3 scale)

Panel A: Differences between Catholics and Protestants (regressions with variable effects):

<i>Catholic</i>	-0.438 (0.791)	-0.014 (0.035)	0.033 (0.445)	-0.012 (0.027)	-0.190*** (0.023)	0.016 (0.026)	-0.034* (0.018)	0.117*** (0.026)	0.087*** (0.027)	-0.012 (0.022)	-0.061** (0.025)	0.111*** (0.026)
<i>Faith</i>	0.837* (0.456)	0.067*** (0.023)	-0.445* (0.256)	-0.006 (0.016)	0.207*** (0.015)	0.391*** (0.016)	0.580*** (0.012)	-0.096*** (0.015)	-0.099*** (0.016)	0.057*** (0.013)	0.025 (0.015)	-0.230*** (0.016)
<i>Religious upbringing</i>	0.129 (0.451)	-0.004 (0.022)	0.035 (0.248)	-0.013 (0.016)	0.132*** (0.013)	0.155*** (0.016)	0.248*** (0.011)	-0.071*** (0.015)	-0.057*** (0.015)	0.045*** (0.013)	0.022 (0.016)	-0.069*** (0.016)
<i>Education</i>	4.044*** (0.436)	0.219*** (0.023)	0.746*** (0.245)	0.445*** (0.016)	0.145*** (0.015)	0.074*** (0.014)	0.108*** (0.010)	-0.098*** (0.015)	0.026* (0.015)	0.134*** (0.013)	0.165*** (0.015)	-0.075*** (0.015)
<i>Catholic × Faith</i>	-2.153*** (0.571)	-0.131*** (0.027)	0.649*** (0.316)	-0.000 (0.018)	-0.103*** (0.017)	0.048*** (0.019)	-0.167*** (0.014)	0.036* (0.020)	0.037* (0.021)	0.048*** (0.017)	0.021 (0.019)	0.121*** (0.020)
<i>CatholicR × Religious upbringing</i>	-1.651*** (0.591)	-0.040 (0.028)	-0.374 (0.320)	0.008 (0.019)	-0.054*** (0.016)	0.055*** (0.021)	0.048*** (0.014)	0.024 (0.020)	-0.006 (0.021)	0.011 (0.018)	0.009 (0.020)	0.060*** (0.021)
<i>Catholic × Education</i>	0.067 (0.553)	-0.035 (0.028)	-0.821*** (0.312)	-0.024 (0.019)	-0.018 (0.017)	-0.164*** (0.018)	-0.091*** (0.012)	0.072*** (0.018)	0.014 (0.019)	-0.082*** (0.016)	-0.009 (0.018)	0.104*** (0.018)
Observations	17640	18233	9614	12893	18521	18654	18553	18666	16469	18046	18869	18158
F		80.20	38.97	121.01	49.44	204.23	564.95	28.40	28.85	70.78	61.70	70.13

Concluding Differences

- The more diverse Catholic moral standards may increase transaction costs in impersonal trading but also make personal trade easier.
- Average Catholics trust strangers less.
- Catholics give more importance than Protestants to family ties.

Overall

- The consequences for economic growth and the development of Capitalism would be related with:
 - 1 The greater effort that individuals are willing to exert in informal social enforcement.
 - 2 The contribution that having more independent individuals makes to the design and functioning of political and legal institutions.
 - 3 To the greater homogeneity of values among individuals.
- These features facilitate legal enforcement and reduce the cost of impersonal exchange.

References

Benito Arruñada (2010) "Protestants and Catholics: Similar work ethic, different social ethic" *The Economic Journal* 120(547), pp.890-918.

The End