COLLECTIVE AND INDIVIDUAL BELIEFS AND PARTICIPATION: THE MULTILEVEL RELATIONSHIP BETWEEN RELIGION AND SELF-EMPLOYMENT (INTERACTIVE PAPER)

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INTERACTIVE PAPER

COLLECTIVE AND INDIVIDUAL BELIEFS AND PARTICIPATION: THE MULTILEVEL RELATIONSHIP BETWEEN RELIGION AND SELF-EMPLOYMENT

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Principal Topic

Religions teach and promote certain cultural values within a society (Dana, 2009), and such values may influence the level of entrepreneurship in an economy. For example, Weber (1934) famously argued for a relationship between the Protestant work ethic and the emergence of capitalist economies. Weber's hypothesis has been controversial, and has been examined by subsequent researchers, particularly in the fields of economics, sociology, and psychology (Becker & Woessmann, 2007; Greeley, 1964). Others have explored how Eastern forms of Christianity, Judaism, Islam, and non-Abrahamic religions are related to engagement in entrepreneurship (Chiswick, 1995; Minns & Rizov, 2005). Examining the relationship between religion and entrepreneurship raises a number of difficult issues. One issue is whether the relationship between various religious beliefs and measures of entrepreneurship is a societal or individual-level phenomenon (or both). It may be the case that the strength of any individual relationship between religion and entrepreneurship at the individual-level is partly determined by the dominant religion in the society. It is also not clear whether the religious beliefs of an individual or how active they are in their religious faith are better predictors of engagement in entrepreneurial activities, as much of the previous research has only looked at affiliation (Dana, 1991, Klandt, 1987).

Method

This paper examines the relationship between religion and self-employment using cross-country data from the World Values Survey (World Values Survey Association, 2009). For these analyses, random coefficient multilevel logistic regression is used, due to the dichotomous dependent variable of self-employment and the multilevel nature of the independent variables. This technique also allows for the testing of cross-level interaction effects (Gelman, 2006) such as how the relationship between religion and self-employment varies depending on GDP per capita and the dominant religion in the country.

Results and Implications

The results support the hypothesis that both an individual's religion and the country's religious makeup predict the likelihood of individual self-employment. The results imply that the relationship between religion and self-employment is complex and should be examined at multiple levels and by using multiple measures of religion (such as stated affiliation and devoutness).

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