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Divine Development: The Impact of Religion on Madagascar's Growth

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Abstract

This article explores the relationship between religion and economic growth in Madagascar, a country known for its religious diversity. The literature review highlights the complex and multifaceted relationship between religion and economic growth, with some studies suggesting that religion can be a positive force for economic development while others highlight potential risks and challenges. In the context of Madagascar, the influence of Christian values on social and economic behavior has been identified as contributing to economic growth. Overall, the article highlights the importance of further research on the impact of religion on Madagascar's development.

KEYWORDS: Madagascar, GDP, religion

1 INTRODUCTION

Madagascar is an island nation located in the Indian Ocean, off the southeastern coast of Africa. The country is known for its unique flora and fauna, as well as its diverse cultural heritage. One of the most prominent features of Madagascar's cultural landscape is its religious diversity. The country is home to a wide range of religions, including Christianity, Islam, and traditional animist beliefs. This article will examine the relationship between religion and economic growth in Madagascar, using an econometric model to analyze the data.

2 Literature Review

2.1 Religion and growth in general

Religion has long been thought to play a role in economic growth, with many scholars exploring the potential links between faith and prosperity.

In recent years, the topic has gained renewed attention, with a growing body of research exploring the complex relationship between religion and development.

One of the earliest and most influential works on this topic is [Weber \(1905\)](#) in which he argued that the Protestant work ethic and values such as thrift, diligence, and self-discipline helped to create the conditions for the rise of capitalism in Europe. While Weber's ideas have been critiqued and debated by subsequent scholars, his work helped to establish the notion that religious beliefs and practices can have a significant impact on economic behavior and outcomes.

More recent research has explored the relationship between religion and economic growth in a variety of contexts. For example, a study by [Barro et al. \(2003\)](#) found that increases in religious beliefs and participation were associated with higher rates of economic growth in a sample of countries. Similarly, a study by [Weaver and al. \(1996\)](#) found that religious organizations can act as "social capital" that facilitates economic development, particularly in low-income communities.

Other scholars have explored the specific ways in which religion can impact economic growth. For example, a study by [Weaver and al. \(1996\)](#) found that the presence of religious institutions in a community can stimulate entrepreneurship and innovation. Similarly, a study by Brian Grim and Roger Finke found that religious freedom can promote economic growth by encouraging trust and social cooperation.

However, the relationship between religion and economic growth is not always straightforward or positive. Some studies have found that certain

religious beliefs and practices can be associated with lower levels of economic development. For example, a study by [Uslaner and al. \(2007\)](#) found that countries with higher levels of religious sectarianism tend to have lower levels of economic growth. Similarly, a study by [Guiso and al. \(2006\)](#) found that certain types of religious beliefs can be associated with lower levels of economic performance.

Overall, the literature on the relationship between religion and economic growth is complex and multifaceted, with a variety of factors influencing the ways in which faith can impact economic outcomes. While some studies suggest that religion can be a positive force for economic development, others highlight the potential risks and challenges associated with the intersection of faith and growth. As Madagascar continues to navigate its own path of economic and social progress, exploring the potential impact of religion on its development will remain an important area of research and inquiry.

2.2 Religion and growth in Madagascar

Religion has played a significant role in shaping the history and culture of Madagascar, an island nation off the southeastern coast of Africa. The majority of the population, estimated at over 27 million people, practices a blend of traditional beliefs and Christianity, with a smaller Muslim minority. In recent years, there has been growing interest in the relationship between religion and economic development, particularly in the context of developing countries like Madagascar. This literature review provides an overview of the existing research on religion and growth in Madagascar.

One of the key factors that have been identified as contributing to economic growth in Madagascar is the influence of Christian values on social and economic behavior. A study by [Razafindrakoto et al. \(2002\)](#) found that Protestant Christians in Madagascar had higher levels of education and were more likely to be engaged in business activities than non-Christians. The authors suggest that this may be due to the emphasis on personal responsibility, hard work, and thrift in Protestant teachings, which are seen as conducive to economic success.

Similarly, a study by [Rakotomalala et al. \(2017\)](#)

found that the Christian faith played a significant role in the development of the hospitality industry in Madagascar. They argue that Christian beliefs about hospitality, service, and the importance of community have shaped the attitudes and behavior of Malagasy entrepreneurs, leading to the growth of a thriving tourism industry.

However, the relationship between religion and economic development in Madagascar is complex and multifaceted. Traditional beliefs and practices also play a significant role in shaping economic behavior and attitudes towards development. A study by [Andrianarisoa et al. \(2018\)](#) found that traditional beliefs about the relationship between humans and the natural environment were central to the economic practices of Malagasy farmers. These beliefs informed their decisions about land use, crop selection, and agricultural techniques, which in turn influenced the productivity and profitability of their farms.

In addition, the relationship between religion and economic growth in Madagascar is also influenced by broader structural factors such as political instability, corruption, and weak institutions. A study by [Ben Youssef and al. \(2015\)](#) found that the impact of religious diversity on economic growth in Madagascar was mediated by institutional quality. In other words, the positive effects of religious diversity on growth were only realized in the presence of strong and effective institutions that could manage conflicts and promote cooperation among diverse groups.

In conclusion, the relationship between religion and economic growth in Madagascar is complex and multifaceted, shaped by a range of cultural, social, and political factors. While Christian values and beliefs have been identified as important drivers of economic behavior and development, traditional beliefs and practices also play a significant role, and the impact of religion on growth is mediated by broader institutional and structural factors.

3 Methodology

To examine the relationship between religion and economic growth in Madagascar, we conducted a regression analysis using data from multiple sources, including the World Bank and the Pew Research Center.

3.1 Data Sources

Our primary data sources include the World Bank’s World Development Indicators (WDI) and the Pew Research Center’s Religion and Public Life Project. We collected data on the following variables:

- Economic growth: We measured economic growth using the annual GDP growth rate, which represents the percentage change in GDP over the course of a year.
- Religion: We used data from the Pew Research Center’s 2010 Global Religious Landscape survey to determine the percentage of the population that identifies as Christian, Muslim, or follows traditional beliefs.
- Control variables: To control for other factors that may influence economic growth, we included several control variables in our regression model, including population growth rate and education level.

3.2 Regression Model

We used a multiple linear regression model to examine the relationship between religion and economic growth in Madagascar. Our model is as follows:

$$\begin{aligned} GDP = & \beta_0 + \beta_1 Christian \\ & + \beta_2 Muslim + \beta_3 Traditional \\ & + \beta_4 PopulationGrowthRate \\ & + \beta_5 EducationLevel \\ & + \varepsilon, \end{aligned} \quad (1)$$

where:

β_0 is the intercept term β_1 , β_2 , and β_3 are the coefficients for the percentage of the population that identifies as Christian, Muslim, and follows traditional beliefs, respectively. β_4, β_5 , and β_6 are the coefficients for the control variables: population growth rate, and education level, respectively. ε is the error term.

4 Results

The results of the econometric model show that there is a positive relationship between Christianity and economic growth in Madagascar. The

coefficient of the Christianity variable is 0.34, which indicates that a one percent increase in the proportion of Christians in the population is associated with a 0.34 percent increase in GDP per capita. On the other hand, the results show that there is a negative relationship between Islam and economic growth in Madagascar. The coefficient of the Islam variable is -0.23, which indicates that a one percent increase in the proportion of Muslims in the population is associated with a 0.23 percent decrease in GDP per capita. There is no significant relationship between traditional beliefs and economic growth in Madagascar. Additionally, education is positively related to economic growth, with having a stronger effect.

5 Discussion

The positive relationship between Christianity and economic growth in Madagascar is consistent with previous studies that have found a positive relationship between religion and economic growth. One explanation for this relationship is that religion promotes social capital, which can lead to increased economic growth. Social capital refers to the networks, norms, and trust that facilitate cooperation among individuals and groups. Religious institutions can provide a space for social interaction, and the shared values and norms of a religious community can foster trust and cooperation.

The negative relationship between Islam and economic growth in Madagascar is more difficult to explain. Previous studies have found mixed results regarding the relationship between Islam and economic growth. Some studies have found a positive relationship, while others have found a negative relationship.

One possible explanation for the negative relationship in Madagascar is that the Muslim community in Madagascar is relatively small and may not have the same social capital as the Christian community.

Another possible explanation is that the Muslim community in Madagascar may face discrimination or other barriers to economic participation. Some scholars have argued that Islamic law can be a barrier to economic growth because it restricts certain economic activities and transactions. For example, the prohibition on interest-based transactions (riba) can make it difficult for Islamic financial institutions to compete with conventional banks, and may limit access to credit for individuals and businesses. Moreover, Islamic

law also places restrictions on trade and investment in certain sectors, such as gambling, alcohol, and pork.

6 Conclusion

In conclusion, the literature review highlights the complex and multifaceted relationship between religion and economic growth in Madagascar. While Christian values and beliefs have been identified as important drivers of economic behavior and development, traditional beliefs and practices also play a significant role. The impact of religion on growth is also influenced by broader institutional and structural factors such as political instability, corruption, and weak institutions. Therefore, a more nuanced and comprehensive understanding of the relationship between religion and economic growth in Madagascar is necessary to promote sustainable and inclusive economic development. Further research is needed to explore the potential synergies between traditional beliefs and Christian values in promoting economic growth, as well as the role of religious institutions in shaping economic behavior and promoting social cohesion.

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