

Religious Freedom and Economic Progress: A Philosophical and Empirical Exploration

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Go into the Royal Exchange in London, a place more respectable than many courts; there you will see the representatives of all nations assembled for the benefit of mankind. There the Jew, the Mahometan, and the Christian transact business together, as though they were all of the same religion, and give the name of infidels only to bankrupts; there the Presbyterian confides in the Anabaptist, and the Anglican depends upon the Quaker=s word. If there were only one religion in England, there would be fear of despotism; if there were but two, the people would cut one another=s throats; but there are thirty, and they all live happy and in peace. Voltaire, Philosophical Letters On the Presbyterians@

This paper addresses the conflict between freedom and religion unseparated from government. The following section briefly explores the history and some philosophy of separation of religion and governance, and then summarizes one view of feminist revisionism in Islam. The quantitative section evaluates the effectiveness of religious diversity as a means to both separate religion from state and, more broadly, to ensure economic and civil freedom. More particularly, the connection between religious diversity and women=s access to schooling, equity in labor force participation and literacy are tested.

Philosophical issues between religion, the law and economic development

There is no compulsion in matter of faith.¹ Thus spake Mohammed, and he has been echoed by intellectuals and lovers of freedom over the 14 centuries since he revealed his vision. Bernard Lewis, quoting the same surah, notes that the Muslim tradition has interpreted this as enjoining tolerance and forbidding the use of force. Considerably less pithily, Thomas Jefferson, the innovator of the law of religious freedom in western politics, advanced essentially the same vision in his argument for the act establishing religious freedom in Virginia in 1786:

Well aware that Almighty God hath created the mind free; that all attempts to influence it by temporal punishments or burdens, or by civil incapacitations, tend only to beget habits of hypocrisy (sic) and meanness, and are a departure from the plan of the Holy Author of our religion, who being Lord both of body and mind, yet chose not to propagate it by coercions on either, as was in his Almighty power to do. *Be it therefore enacted by the General Assembly,* That no man shall be compelled to frequent or support any religious worship, place or ministry whatsoever, nor shall be enforced, restrained, molested, or burdened in his body or goods, nor shall otherwise suffer on account of his religious opinions or belief; but that all men shall be free to profess, and by argument to maintain, their opinions in matters of religion, and that the same shall in no wise diminish, enlarge or affect their civil capacities.

¹Qur'an 2:256, 10:99, 18:29--quoted in Abou El Fadl (2002), p. 18.

The question then arises as to how the profoundly intolerant societies where Muslim populations are the dominant practicing faith have evolved to such an end. The answer appears to have two dimensions:

1. The inability of Muslim countries to inculcate the notion of separation of faith and governance;
2. The continued and increasing subjection of women in terms of personal freedom, roles in society and lack of equality in political and juridical terms.

The combination of these two constraints on the development of Muslim societies prevents their internal development, induces attempts to seal off their societies from Western influences and maintains religious oversight of inherently secular activity and research.

Non-separability of religion and governance in Muslim societies

The first of these incapacities was overthrown in the West by Europe's reformation in the mid 16th century; it was in a sense the result of Martin Luther's notion of the two kingdoms, following the injunction of Jesus to "Render therefore unto Caesar the things which are Caesar's; and to God the things that are God's." As Bonhoeffer observed, not without regret,

The Reformation is celebrated as the emancipation of man in his conscience, his reason and his culture and as the justification of the secular as such. The Reformers' biblical faith in God had radically removed God from the world. The ground was thereby prepared for the efflorescence of the rational and empirical sciences, and while the natural scientists of the seventeenth and eighteenth centuries were still believing Christians, when faith in God was lost all

that remained was a rationalized and mechanized world.

Yet, Muslim intellectuals resist the notion that an Islamic Reformation is necessary, impending or even feasible as a cure both for the overarching domination of private life in Muslim societies and as an antidote for the stultifying literalness of imams whose readings of the Qur'an constrain the evolution of society. In this, there are two voices: one for the tradition and closure and one for openness and interpretation. Ironically, both cite the Qur'an as the center and anchor for their vision of the ideal society. First, Ibn Saud, the founding monarch of Saudi Arabia:

I am not shutting myself off from European civilization, but I make use of it in a way which is consistent with Arabia, with the Arab soul, and with the will of God. I have had machines brought here from Europe, but I want no religion. The Moslem nations must wake from their long dream. They need arms, but the most powerful weapon is faith in God and humble to the divine laws.

Spoken as the absolute monarch of a society that he characterizes as different and apart, his assertion imposes on his subjects both an understanding of the faith and a rejection of any aspect of western culture consistent with his view. Opposition to this view in King Saud's time and in our own is veiled by what Tamur Kuran calls preference falsification—that is, hiding of true beliefs because of fear and punishment for revealing liberal views:

The observed political stability of the Arab world is thus attributable at least partly to the concealment of grievances. A related factor is the ignorance generated as a by-product of widespread preference falsification. Insofar as Arab citizens hide, shade, or distort their misgivings about prevailing policies, Arab

public discourse on the relative merits of political alternatives gets truncated and corrupted.

This could not be further from the logic of Jefferson's legislation for religious freedom. Nor could it be further from the injunction of the Prophet in denying the role of coercion. Conversely, modern exponents of liberalism within Islam are correspondingly far removed from the view of an unchanging faith:

Insofar as Arab-Islamic thought is concerned, the glorious Qur'an is the absolute. And it behooves us to revise its commentaries in each age in the light of innovations in the literary, linguistic, psychological, philosophical, historical, and sociological theoriesCfor we should understand the Qur'an from within the context of science, rather than understanding science from the context of the glorious Qur'an.

These two views are at loggerheadsCthe monarch who decides for his people that western influences are inappropriate for Arabs, and the intellectual who urges contemplative interpretation and reinterpretation of the Qur'an in terms of what is new and, ineluctably, western. Yet, it is the words of Ibn Saud from more than 60 years ago that resonate most clearly with contemporary Islamic thought. As Bernard Lewis argues, the very notion of a secular society and of separation of civil authority from religious authority is, if not unknown, seen as a bizarre western notion in Muslim societies. Further, there is great pressure to conformC at least outwardlyCso that religious freedom is simply impracticable, if not infeasible:

Where Islam is perceived as the main basis of identity, it necessarily constitutes the main claim to allegiance. In most Muslim countries the essential distinction between loyalty and disloyalty is indeed provided by religionY. And since religious conformity is the outward sign of loyalty, it follows that heresy is disloyalty and apostasy is treason. Classical Islam had

no hierarchical institution to define and impose correct belief, to detect and punish incorrect belief. The Muslims, instead, laid great stress on consensus, both as a source of guidance and as a basis for legitimacy.

The resultant of the king's view is that religious freedom is inconsistent with the very central tenets of the dominant contemporary Islamic consensus and opposition is hidden by preference falsification. As Abou El Fadl summarized the problem for reformists and liberals:

In contemporary Islam, the problem is not the text but the reader. In most cases, the Islamic heritage is lost between analytically competent readers who are woefully incapable of penetrating the classical texts and readers who can decipher the classical texts, but who live in a time warp and are largely oblivious to the hermeneutic and analytic strategies of modern scholars. Put simply, the first group is equipped to handle modernity, but not the classical tradition, while the second group is in precisely the opposite position. This dilemma ought to be recognized as the real tragedy of modern Islamic scholarship.

Until this scholarly conundrum is resolved, there will be no separation of religious practice from civil governance.

Subordination of women and revisionist attempts to establish Muslim feminism

The other aspect of Muslim societies that increasingly isolates them from non-Muslim societies is the subordinate role of women, and the rigid justification for it drawn from conventional readings and interpretations of Qur'an and Hadith. It will be obvious that this aspect of the Muslim separatism is not independent of the first one, i.e., of the inflexible and literalist exegesis of the Qur'an. To be clear, it also should be noted that this is no longer a separation just from the West: Eastern societal structures increasingly broaden the

rights and scope of activity, experience and responsibilities for women relative to the traditionally broader and freer portfolio of men. However, there are increasing efforts by Muslim women to assert a revisionist view of Qur=an and to challenge some Hadith that have limited women=s roles and participation in society.

One impediment to the liberation of women is male hubris and the privileges that subordination of women provides to men. This overweening pride is institutionalized in current Islamic conventions and readings of the Qur=an. Male hubris was an impediment to feminism in 19th and early 20th century western culture, Europe and the United States. Some of the arguments counseling the innately self-sacrificing nature of women and their need for protection from the rough and tumble of interactive society were simply covenants of the entrenched position of male supremacy. As John Stuart Mill mused,

I believe that equality of rights would abate the exaggerated self-abnegation which is the present artificial ideal of feminine character, and that a good woman would not be more self-sacrificing than the best man: but on the other hand, men would be much more unselfish and self-sacrificing than at present, because they would no longer be taught to worship their own will as such a grand thing that it is actually the law for another rational being. There is nothing which men so easily learn as this self-worship: all privileged persons, and all privileged classes, have had it. The more we descend in the scale of humanity, the more intense it is; and most of all in those who are not, and can never expect to be, raised above any one except an unfortunate wife and children.

Such motivations and rationalizations by the ruling elite appear quaint but resonate with the motivations that impelled the resistance to the civil rights agenda in the U.S. at mid-century. Thus, they have been dismantled and replaced by, at minimum, politically correct views in societies which have outgrown them, but they

remain the conventional view, consistent with Mill=s characterization of his time, supported by the majority of both men and women in contemporary Muslim societies.

Yet, there are a surprisingly large number of feminist revisionist Muslim interpretations in print in 2004 who, in a phrase, reject the view of Aa medieval consensus as infallible and irrevocable.@ Islamic liberalism, including feminist liberation, is no longer an oxymoron in literate Islamic discourse. One of the earliest and most influential of these feminist revisionist critiques is *The Veil and the Male Elite* by Fatima Mernissi, a sociologist on the faculty of University Mohammed V in Rabat, Morocco, originally published in Arabic in 1987 and in English in1991. Mernissi=s argument is multi-part and complex, but it can be outlined in the following set of components:

- § First, the Qur=an is not presented in the temporal order in which the Prophet received his visions. This is key as some surah are asserted to rebut or redact earlier surah, so the temporal ordering is key.
- § There are a great number of Hadith that are invalid, and it is from these that the most misogynistic teachings and interpretations are evoked, and the abrogations of some surah are not justified. Since the first written version of the Qur=an appeared 25 years after the Prophet=s death, the Hadith have been used not only in its exegesis, but also to choose between competing versions of the Qur=an.
- § The Prophet depended on several of his wives as advisors, and their independence and willingness to argue against him was valued.
- § The Prophet intended to develop a society in which private and public life were integrated but a core of privacy would remain respected; his surahs relating to privacy and the sequestering of the wives had to do with an intrusion into his privacy.

- § The tradition and the surah relating to the veil were effects of discourtesy from Medina folk during the time of the Prophet=s struggle.
- § Profiles of several non-conformist and historically powerful women who neither veiled nor bowed to their husbands comprise the capstone of her revisionist argument.

The point, however, for this article is not the substance of Mernissi=s and other Islamic liberals= arguments though they are interesting and convincing. Rather, the importance is simply that these arguments are being made by Muslim women. As another of these intellectuals, Asthma Barlas summarizes her faith, A...a believer=s right to interpret religion derives not from social sanctions (permission from clergies or interpretive communities), but from the depths of our own convictions and from the advice that the Qur=an gives us to exercise our own intellect and knowledge in reading it.@

The possibility of an Islamic feminism suggests that revisionism and liberal argument are alive and well within what would otherwise appear to be a doctrinaire faith with no place for gender equality. But such self-reliant and applied introspection requires that the believer be free to engage in it. Thus, a healthy society is one that allows everyone to evaluate and choose his or her faith. In the following section, we see that like much else in social markets, the benefits of choice come not as gifts from a governing elite but as products of competition.

Empirical relations between religion, the law and economic development

In this section the relation between religious freedom and various measures of social and economic freedom are empirically explored on data from the World Bank Development Indicators, 2002 edition, and a variety of indexes delineating religious, economic and social freedom. These estimates, correlations and regressionsCare undertaken to see, broadly, whether Voltaire=s conjecture about religious diversity sustaining peaceful economic

progress is correct. As explained below, a number of empirical measurements and tests were performed on a collection of middle income developing countries, as classified by the World Bank. The Bank's middle income characterization covers two sets of economies: 54 lower-middle income economies with per capita incomes in the range \$756-\$2,995; and 38 upper middle income economies with per capita incomes in the range \$2,996-\$9,265, each in 2000 U.S. dollars as estimated by the Bank using its Atlas method. Because of data limitations in the Bank's indicators, the necessity to use sovereign states as the unit of observation and the constraint to obtain observations on those states that had information provided in the various freedom index providers, the final data set consists of 62 countries—36 lower and 27 upper-middle income.

Data, variables and correlations

The data are essentially of three types:

1. Religion—measures of shares of religious observance, religious demography, and laws protecting or restricting religious freedom;
2. Civil, political and economic freedom indexes;
3. Economy and society—including economic growth, income distribution and illiteracy measures and population growth.

Religious freedom is measured by a four-part qualitative synopsis based on U.S. State Department reports on religious freedom:

1. Is there a state religion? (0 if yes, 1 if no)
2. Is there a constitutional (or equivalent) guarantee of freedom of religion? (0 if no, 1 if yes)
3. Is there a legal proscription on discrimination by religious belief? (0 if yes, 1 if no)
4. Is there effective freedom to proselytize for a minority religious belief? (0 if no, 1 if yes)

Summed and divided by four, this generates a variable (Z01) that measures the extent of religious freedom. Of course, in practice, there is a great deal of positive linkage among these four components, and an alternative binary measure (RF) was constructed which takes the value 0 if Z01 is less than 0.75 and 1 if Z01 is .75 or larger. That is, if the laws grant only half of the four components, religious freedom is arbitrarily set at null, and if the country protects 3 or all 4 of these components, religious freedom is set at 1. The other primary variable driving our analysis is religious diversity; this was computed in two ways: first (Z03) as the ratio of the second largest religious denomination (Muslim, Christian, Other) to the largest of these ; second (Z04) as one minus the largest share divided by the largest share. Finally, reflecting an expectation that Muslim states are more likely to restrict religious freedom, Muslim-adjusted measures of religious diversity were computed for Z03 and Z04 by dividing each by (1+Z02); each of these adjusted forms was used in log form (as discussed below) obtaining, respectively, LZ03I and LZ04I.

The fundamental question is whether religion and, in particular, religious diversity has any effect on the social measures in the second group of data. As a beginning point, it is worthwhile looking at the relations between the data in the first group to assess at a raw level whether, for example, there is any correlation between the share of (dominance) Muslim adherents and religious freedom. This first level examination is provided in Table 1, Correlations Among Measures of Religious Freedom and Diversity.

The correlations in Table 1 support the expectation that the higher the share of Muslim adherents (Z02), the lower the level of religious freedom. For example, the raw four-component-index of religious freedom, RF, is negatively correlated with the Muslim share of the population in the panel of middle-income states at -0.574, while the Muslim%-Adjusted Diversity measure (LZ04I) is positively correlated (0.598) with the binary religious freedom (RF) and nearly at that level with the four-component religious freedom index (Z01). As this latter adjusted index has generally the strongest relation with both measures of religious freedom, it is the one reported in the regressions below, Tables 3-7.

Table 2, Correlations of Economic and Civil Freedom with Religious Freedom and Diversity, reports the correlations between the binary religious freedom (RF), the Muslim-Adjusted Diversity measure

(LZ04I), the Muslim share of the population (Z02) and various indexes of freedom and civil libertiesCTransparency International=s Corruption Perceived Index, Heritage Foundation=s Economic Freedom Index, Fraser Institute=s Economic Freedom Index, Reporters without Borders Free Press Index, and Freedom House=s Freedom Index. Interestingly, the Muslim population share (Z02) has comparatively little relation with either of the two economic freedom indexes (0.305 with the inverse Heritage index (Z06) and -0.180 with the direct Fraser index (Z07)). In contrast, it is strongly positively correlated with the inverse press freedom (Z08) and the inverse Freedom House political and civil liberties index (Z11), both indicating that the higher the share of Muslim population in a state in the panel, the lower the status of press, political and civil liberties. Most disappointing or puzzling, depending on your view, is the weak relations evidenced by the Transparency International=s perceived corruption index; its only significant correlations are with the economic freedom indexes, and both have the wrong sign.

Regression estimates of diversity effects

The most basic question and one prior to asking the effects on economic and social variables is whether diversity affects the extent (or probability) of religious freedom. This is the question addressed in the logit regression estimate in Table 3. The results, consistent with Voltaire=s conjecture, strongly reject the null that religious diversity does not enhance religious freedom. Also, freedom of the press (an inverse index) supports the likelihood of religious freedom; however, the Heritage index of economic freedom (an inverse index) is marginally significant (10% level) but with the wrong sign. With this confirmation of the supportive role of religious diversity, it is appropriate to assess its impact on various measures of economic participation and, in particular, the access of women to market activities and skill acquisition.

The first of the economic access questions is posed by estimating the relation of girls= access to schooling relative to boys=

access. In Table 4, a regression estimate is reported with a dependent variable (Z33) which is the ratio of girls= to boys= enrollment in primary and secondary education. Again, religious diversity (LZ04I) has, as generally hypothesized, a highly significant positive effect on relative girls= education enrollment. Also significant is the share of GNI devoted to funding education (Z13), while the adjusted index of press freedom (Z08LIT) (inverse) is marginally significant—more press freedom, more relative girls= enrollment. Finally, the labor force gender parity index might be expected to be positive—i.e., more rewarding labor for women inducing more schooling for skill acquisition; however, its marginally significant negative coefficient could be interpreted as reflecting the opportunity cost of continued schooling. There is not sufficient information to unravel these alternatives.

Table 5 reports the impact of religious diversity on the output of education—the dependent variable is the excess of the rate of adult female illiteracy over adult male illiteracy. As the results reported in the table show, across the panel of middle income countries, greater religious diversity (LZ04I) reduces women=s excess illiteracy, and so does stronger political and civil rights (Z11, an inverse index). Per capita GNI in PPP\$ (Z17) reduces the literacy gap of women, but not significantly.

Table 6 reports the estimated regression of the female share (numbers of laborers) in the labor force (Z44) on religious diversity (LZ04I), population growth rate during twenty years ended in 2000 (Z12), and the share of GNI devoted to funding education (Z13). Again, religious diversity is highly significant with a sign implying that it raises the share of women in labor market participation, while the strength of education funding is also supportive. Conversely, not surprising, the strongest impact is population growth which reduces the choices that females can make given their role as mothers: the faster the growth rate of the population, the lower the participation of women in jobs outside the home.

Finally, Table 7 reports a regression of the gini coefficient on religious diversity, population growth, education expenditures and female labor force participation relative to males. Here, the highly significant positive coefficient of adjusted religious diversity (LZ04I) indicates that it does not reduce the inequality of income distribution. Since the gini coefficient tends to rise with faster growth, higher incomes grow faster than lower incomes in the expansion. It would be useful to see what happens to the lower income level (e.g., the bottom quintile), but these data are not available in the WB Economic Indicators CD-ROM. The sign of the female labor force participation (Z44) coefficient is also problematic, but insignificant. The other variables' coefficients are simpler to interpret. Population growth rate (Z12) is highly significant in raising inequality, while the share of education expenditures (Z13) tends to reduce it, but not significantly.

Conclusion

Succinctly, Voltaire was right. Religious diversity supports a peaceful and progressive society, in contemporary middle income developing countries as well as in 18th century England. That religious freedom is associated with the presence of a diverse body of religious practice is almost a truism, what is more significant is that religious diversity provides for a more egalitarian treatment of women. In our empirical estimates, the measure of adjusted religious diversity was highly significant in its association with women's access to education, labor markets and achieving literacy. Since religious freedom is a keystone of civil and political freedom, the positive impact of diversity is a strong but not surprising aspect of progressive civil society. It is encouraging that contemporary developing countries demonstrate this connection. As Kuran observes, there is both good news and bad news for nations with Muslim majorities:

Journal of Private Enterprise

To start with the bad news, the Islamic Middle East cannot be lifted from its state of underdevelopment in

the near term. Even if all the misguided government policies in the region were to disappear today, strong private sectors and civil societies could take decades to develop. The good news is that economic reforms are achievable without opposing Islam as a religion. Whatever the outcome of ongoing struggles over the interpretation of Islam in other areas—education, women's rights, expressive liberties—key economic institutions of modern capitalism were borrowed sufficiently long ago to make them seem un-foreign, and thus culturally acceptable, even to a self-consciously antimodern Islamist.

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Journal of Private Enterprise

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Appendix: Data and Sources

The World Bank's data set (World Bank 2002 *World Development Indicators CD-ROM*) includes 207 economies, the sample used in this paper was constrained to a subset of 62 countries generated from this set by three criteria:

1. Only sovereign states;
2. Only states with income in the middle range, \$756-\$9,265 per capita in 2002;
3. Only states meeting criteria 1 and 2 which also have data on religious freedom, economic freedom, press freedom, and civil and political freedom as compiled by institutions enumerated below.

As a result, the actual sample included was 62 countries, with even smaller samples for some measurements and tests given the less than complete data (e.g., the gini coefficient was available for only 39 countries).

The Bank's main criterion for classifying economies is gross national income (GNI) per capita. Every economy is classified as low income, middle income (subdivided into lower middle and upper middle), or high income. The Bank classifies its member economies into four income groups according to 2000 GNI per capita, calculated using the World Bank Atlas method:

- \$ low income, \$755 or less (63 economies);
- \$ lower middle income, \$756-\$2,995 (54 economies);
- \$ upper middle income, \$2,996-\$9,265 (38 economies); and
- high income, \$9,266 or more (52 economies, of which 23 are OECD members and 29 are OECD non-members)

World Bank data, observations for 2000 unless otherwise indicated:

Average population growth rate, 1980-00 (Z12)
Share of GNI on Education (Z13)
Per Capita GDP, 1995\$ (Z14)
Gini coefficient, average of available 1993-00 (Z15)

GNI per capita, Atlas method, 2000\$ (Z16)
GNI per capita, PPP, 2000\$ (Z17)
Growth of per capita GDP, average 1990-00 (Z18)
Growth of per household consumption, average 1980-90 (Z19)
Growth of per household consumption, average 1990-00 (Z20)
Growth of per capita consumption, average, 1980-90 (Z21)
Growth of per capita consumption, average, 1990-00 (Z22)
Adult female illiteracy rate (>15 years old), 1990 (Z23)
Adult female illiteracy rate (>15 years old), 2000 (Z24)
Adult female-male excess illiteracy rate (>15 years old), 1990 (Z25)
Adult female-male excess illiteracy rate (>15 years old), 2000 (Z26)
Youth female illiteracy rate (15-24 years old), 1990 (Z27)
Youth female illiteracy rate (15-24 years old), 2000 (Z28)
Youth female-male excess illiteracy rate (15-24 years old), 1990 (Z29)
Youth female-male excess illiteracy rate (15-24 years old), 2000 (Z30)
Average inflation rate, GDP Deflator, 1990-00 (Z31)
Average inflation rate, CPI, 1990-00 (Z32)
Ratio girls:boys in primary and secondary schools, average 1994-00 (Z33)
Exports share (%) in GDP (Z34)
Agriculture share (%) in GDP (Z35)
Services share (%) in GDP (Z36)
Growth rate of Real GDP, average 1990-00 (Z37)
Growth services, average 1990-00 (Z38)
Labor force gender parity index, 1990 (Z39)
Labor force gender parity index, 2000 (Z40)
Positions at Minister=s level held by women, 1994 (Z41)
Positions at Minister=s level held by women, 1998 (Z42)
Women=s access to contraceptives, share of age-fertile group, 1990-00 (Z43)

Female share of labor force (%), 2000 (Z44)

Fraser Institute (www.freetheworld.com) B2001 Economic Freedom Network Index (Z07), five components (size of government, legal system and property rights, sound money, freedom to trade with foreigners, regulation), equally weighted composite index, scale 1-10, direct index (higher index => more free).

Freedom House (www.freedomhouse.org/ratings)--2001-2 Index, Inverse Index of Political Freedom (Z09), Civil Freedom (Z10), and Composite Freedom (Z11), scale of 1-7, inverse (higher index => less free)

Heritage Foundation (www.heritage.org) B2002 Index of Economic Freedom (Z06); scale 1-7, inverse index (higher => less free).

CIA World Factbook (www.cia.gov) B individual country reports, used to obtain information on percentage religious affiliations, augmenting U.S. State Department data.

International Reporters Without Borders (www.rsf.org) C Freedom of Press, Inverse Index, 2001-2 (Z08); scale 1-7, inverse index (higher => less free); also, two adjusted for illiteracy free press indexes were formed as $Z08dlit = Z08 * (1/Z26)$ and $Z08lit = Z08 * (1 - (Z24/100))$.

Transparency International (www.transparency.org/cpi) C2002 Corruption Perception Index (CPI) (Z05), direct index (higher => more corruption).

US State Department Report on International Religious Freedom (www.state.gov) Individual country reports for four aspects of religious freedom (absence of state religion, law

guaranteeing religious freedom, law forbidding religious discrimination, law or practice of allowing freedom to proselytize), each recorded as 1 for free, 0 not free, summed and divided by 4 (Z01); index (RF) is 0 if less than 0.75, 1 if 0.75 or 1.0; direct index (higher=>less free); also, source of percentage Muslim (Z02) and other religious affiliations in population which form indexes of diversity--ratio of second largest to largest denomination (Z03) and ratio of 1 minus largest to largest (Z04). Two further composite indexes were formed from these Muslim share adjusted Z03 and Z04, respectively, $\log[Z03/(1+Z02)]$ and $\log[Z04/(1+Z02)]$.

Countries included:

Lower Middle Income

Albania	Jordan
Algeria	Kazakhstan
Belarus	Latvia
Belize	Lithuania
Bolivia	Morocco
Bulgaria	Namibia
China	Papua New Guinea
Colombia	Paraguay
Dominican Republic	Peru
Ecuador	Philippines
Egypt, Arab Republic	Romania
El Salvador	Russian Federation
Fiji	Sri Lanka
Guatemala	Swaziland
Guyana	Syrian Arab Republic
Honduras	Thailand
Iran, Islamic Republic	Tunisia
Jamaica	

Journal of Private Enterprise

Upper Middle Income

Argentina
Bahrain
Botswana
Brazil
Chile
Costa Rica
Croatia
Czech Republic
Estonia
Gabon
Hungary
Republic of Korea
Lebanon
Libya
Malaysia
Mauritius
Mexico
Oman
Panama
Poland
Saudi Arabia
Slovak Republic
South Africa
Trinidad and Tobago
Turkey
Uruguay
Venezuela, RB