DIFFUSING KNOWLEDGE WHILE SPREADING GOD’S MESSAGE: PROTESTANTISM AND ECONOMIC PROSPERITY IN CHINA, 1840-1920

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Abstract
We provide an account of how Protestantism promoted economic prosperity in China—a country in which Protestant missionaries penetrated far and wide during 1840–1920, but only a tiny fraction of the population had converted to Christianity. By exploiting the spatial variation in the missionaries’ retreat due to the Boxer Uprising to identify the diffusion of Protestantism, we find that the conversion of an additional communicant per 10,000 people increases the overall urbanization rate by 18.8% when evaluated at the mean. Moreover, 90% of this effect comes from knowledge diffusion activities associated with schools and hospitals erected by the missionaries. (JEL: N35, Z12, O18)

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