

An Old Key to Why Countries Get Rich, *The New York Times*, January 13, 2001, B11  
By Alexander Stille

Why has Poland prospered and Russia struggled since the end of the cold war? Why is the economy of South Korea 15 times as large as that of Ghana when they were comparable less than 40 years ago? Why have the Chinese minorities thrived economically in such different places as Malaysia, the Philippines and San Francisco?

The answer, in all cases, is culture, according to a growing number of scholars who have come to believe that social attitudes are more important than politics and economics in determining why some societies are richer than others. "If we learn anything from the history of economic development, it is that culture makes almost all the difference," declares David Landes, a professor of history at Harvard, in "Culture Matters: How Values Shape Human Progress" (Basic Books), a new collection of essays that is a kind of manifesto for this increasingly influential school of thought.

But this latest incarnation of the "culture matters" thesis, popular early in the 20th century, is unsettling scholars and policymakers. For starters, it challenges the assumptions of market economists and liberal and Marxist thinkers, who share an assumption that political and economic programs are of primary importance and that social values and attitudes follow their lead.

"The standard economic way of thinking is to assume that people are rational, utility-maximizing agents that will seek their economic self-interest," said Benjamin Friedman, a professor of political economy at Harvard who counts himself in the culture matters camp. "The 'culture matters' idea — that different folks have different utility functions, or even that they disregard rational, utility-maximizing norms — is very subversive of what most economists do."

Even more controversial are the political implications. "Culture matters" essentially creates a map of world culture, comparing various cultural values like interpersonal trust, tolerance, attitudes toward authority and personal freedom. The book, edited by two Harvard professors, Lawrence E. Harrison and Samuel P. Huntington, argues that there are striking correlations between economic and democratic development, income level and religion.

Ronald Inglehart, a professor of political science at the University of Michigan, writes, "The fact that a society was historically Protestant or Orthodox or Islamic or Confucian gives rise to cultural zones with highly distinctive value systems that persist when we control for the effects of economic development." Thus New Zealand has more in common with distant Canada than neighboring Indonesia, he argues, and Argentina with its history of heavy Italian immigration has more in common with Italy than with some nearby South American societies.

Many scholars find such judgments disturbing. "There is a shift from a racism based on skin color to a racism based on culture," says Moustafa Bayoumi, who is researching the writings of Muslim slaves in the United States and teaches at Brooklyn College, "which is not to say that culture does not have a role in who we are and how we do things."

Certainly, the culture matters thesis tends to polarize people into opposing camps. Conservatives tend to see it as evidence that the solution to poverty is not government aid but internal cultural change among the poor, while liberals see it as proof that poverty is not intractable but subject to structural, political and economic solutions. As Mr. Huntington, the leading theorist of the new culture matters school, put it by quoting Daniel Patrick Moynihan: "The central conservative truth is that it is culture, not politics, that determines the success of a society. The central liberal truth is that politics can change a culture and save it from itself."

In many ways, "Culture Matters" is a return to the thinking of the German sociologist Max Weber and his seminal essay "The Protestant Ethic and the Spirit of Capitalism." At the beginning of the 20th century, at the height of Western imperialism and an earlier form of globalization, Weber tried to identify the factors that led to Northern Europe's sudden rise in the modern era and wrote that the emphasis on individual responsibility in the Protestant Reformation had provided the inner motor of the capitalist revolution. But later scholars found the idea to be too sweeping as well as smacking of a spirit of Western superiority.

Why, then, has the idea been revived? One reason is the end of the cold war, which transformed the global order as well as thinking about how the world works. The widely divergent trajectories of the countries of the former Soviet bloc, the recent meteoric rise of many former East Asian colonies (Malaysia, Singapore, Taiwan and South Korea) and the continued stagnation of most of Africa and the Middle East have confounded traditional theories of underdevelopment, for example, the crippling legacy of colonialism.

"For many, the statute of limitations on colonialism as an explanation for underdevelopment lapsed long ago," writes Mr. Harrison, who is also a former foreign aid official.

But Jeffrey D. Sachs, another economist at Harvard who has worked as an economic adviser to many developing countries, says he is "very skeptical of these cultural explanations. "I think this idea of culture is generally used very loosely in a self-serving way in which rich people blame poverty on the inferiority of somebody's culture. When I went to Poland, everyone said its culture made it impossible for it to develop, but now it's doing very well."

Mr. Sachs recalls that in Weber's original theory about Protestantism and capitalism, his principal counterexample was Confucianism in China: a static, hierarchical culture that exalted the figure of the mandarin, who with his long fingernails disdained manual labor and commerce. "So the idea that East Asian religious influences were adverse to modern economic growth has been turned on its head," he said.

Indeed, many of the essays in "Culture Matters" refer to Confucianism as a kind of Asian equivalent of the Protestant work ethic. Mr. Sachs finds geography a more compelling explanation. "Perhaps the strongest empirical relationship in the wealth and poverty of nations is the one between ecological zones and per capita income," he stated at a recent conference. "Economies in tropical ecozones are nearly everywhere poor, while those in temperate ecozones are generally rich."

The hazards of geography — the prevalence of deadly tropical diseases, poor soil quality and remoteness from trading routes — placed Africa at a serious economic deficit, Mr. Sachs insists. Europeans were unable to colonize Africa until they discovered a treatment for malaria that allowed them to live in the tropics. And the great success of the Protestant countries of Northern Europe, Mr. Sachs said, has more to do with the importance of coal starting in the 17th century than with religion.

"Southern Europe had little coal, higher malaria rates and lower soil productivity," he said. "Now that coal has lost much of its importance, the Southern European countries are catching up. Culture matters, but it matters a lot less when you control for geography, climate, political structures and past history. In the case of the transition of the former Soviet bloc countries, the single largest explanatory factor in how well they are doing is the number of miles from Stuttgart," closer being better.

Mr. Huntington, whose earlier work maintained that Islam and the West were fundamentally incompatible, counters that one of the world's great recent success stories is Singapore, "a tropical country located practically on the equator." But if Singapore contradicts Mr. Sach's geography thesis, it also undermines a piece of Mr. Huntington's cultural determinism. According to some of the essays in "Culture Matters," Asian and African countries lag well behind Northern Europe and the Anglo-Saxon in levels of political corruption, while Singapore ranks with Denmark, Sweden and New Zealand as one of the least corrupt. To Mr. Huntington, this suggests that "cultures can change, albeit within the basic parameters of that culture."

To others, it suggests something different. "Politics and political leadership is one of the great underestimated factors," says Timothy Garton Ash, a professor of history at All Souls College at Oxford. "I object to the implicit determinism in grouping countries as Protestant, Orthodox, Islamic and so forth. We started the 1990's with a sort of vulgar economic determinism — get the economics right and all else will follow — and we ended the decade with what I would call 'vulgar Huntingtonism.'

"It's clearly true that history matters — and if you had 500 years under the Ottoman Empire, with a very strong tradition of state authority, there are certain ingrained ways of doing things that do not help the development of rule of law and a modern trajectory. But the difference between Bulgaria and Slovakia is one of degree and not of kind. Islam in Bosnia is worlds away from Islam in Iran or Central Asia. To say that it characterizes the fundamental political character of a civilization seems simply wrong."

Anthony Appiah, chairman of African studies at Harvard, finds any single explanation overly simplistic: "Clearly history, habits, values, religious institutions all matter but lumping them all together under the label 'culture' is too broad to be very useful," he said. Mr. Appiah said he prefers the analysis of Robert D. Putnam, a political scientist at Harvard who has tried to find empirical ways of studying what Mr. Sachs calls civil society — levels of civic participation, the strength of social bonds and trust.

Mr. Putnam's work is heavily cited in "Culture Matters," but he insists his own idea of what he terms "social capital" is very different from Mr. Huntington's idea of culture. "I specifically don't use the word culture," he said. "I try to describe patterns of reciprocity and social networks to help explain why democracy works better and the economy grows better in

some places. I think Russia has had such a difficult time not because of some ineffable Russianness or Slaviness but because of specific social structures and networks that have inhibited the emergence of a modern state." But as with other debates on the culture matters thesis, different scholars can draw different conclusions from a single example. Mr. Huntington notes that Mr. Putnam's book "Making Democracy Work" traced social and political differences between northern and southern Italy that stretch back to the Middle Ages. But, as Mr. Putnam responded, "southern and northern Italy have the same language, religion and culture."