The Interaction of Cultural and Economic Factors: Arguments for a Pluralist Political Economy of Development

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Does Culture Matter?

Since they first began development studies, scholars have taken so-called pure and impure approaches to them: pure in the sense that researchers used only the fundamentals of economics, or impure in that they blended fundamentals with contributions from other sources of knowledge. Also since the beginning, researchers using each of these approaches accused the others of uselessness; the former seen as unrealistic and the latter as a mixture of scientific inaccuracy and wishful thinking. The handling of the cultural factor in development studies is, in this regard, no exception.

In one of his latest writings, W. W. Rostow stated that capital formation, taken as being at the source of economic growth, and thus of development, is not just a question of maximizing profit, it’s an attitude. The issue, then, is to discover the right attitude. In the beginning of the twentieth century, Max Weber’s works on Protestant ethics led several scholars to believe that this could embody that attitude. Honesty, effort, renunciation of pleasure, willingness to save, and spirit of enterprise comprised the sort of attitude that could explain why development could not have started elsewhere than in those regions of Europe where the Protestant branch of Christianity was dominant.
Actually, Weber himself said that he didn’t want to demonstrate anything of the kind, meaning that, although these values are an important feature of the industrial revolution, it is somewhat a unwarranted leap of logic to conclude that the Reformation ignited economic development; he added that there was evidence that the opposite, that economic development preceded and stimulated the Reformation, was true in many parts of Protestant Europe. However, the simplicity of this interaction, despite Weber’s doubts, was enough to convince a good number of scholars that the attitudes preached by Protestantism were essential to trigger any sort of development process and that, therefore, any developing community should adopt them.

More recently, D. Landes, in his *Wealth and Poverty of Nations*, goes beyond the religious (and ethical) factor in development and shows how other cultural features, such as national identity, scientific curiosity and the ability to apply it to economic ends, and tolerance or independence from the religious dogma might give a better explanation of the Western European precocity of development. In fact, the essence of Landes’ purpose, in this work, is showing why the industrial revolution took place in Western Europe (and later in the United States) and not in so many others parts of the world that, at the time, could be considered, in some regard, at the peak of civilization. An unwary reader might conclude that the most favourable attitude to development is deeply rooted in Western culture and that, therefore, any development process should start by cultural change, meaning the adoption of Western culture. Underdevelopment, or delay in development then, would be the result of a strong attachment to local traditional values and beliefs and of a refusal to adopt Western culture.

A considerable number of traditional development practitioners strongly believe this, consciously or not, and even their strongest opponents, in a way, seem to believe it too; that is, that development, or the western idea of progress, being culturally alien to the majority of the societies in developing countries, is in fact responsible for the state of underdevelopment. Underdevelopment is, thus, the result of the clash of cultures and of the destruction of traditional institutions perpetrated by the dominant Eurocentric model of development. These two radical visions of the interaction of cultural and economic factors in development processes, although apparently contradictory, might produce the same outcome, which is the perpetuation of underdevelopment. In the first case, the loss of values it might imply could contribute to nourish a resistance to the very idea of progress and
change; in the second case, the risk of cultural isolation might induce social and economic immobilism.

I strongly believe that blind acceptance or refusal of development models cannot solve underdevelopment, therefore, a different approach is needed. The incorporation of progress in developing countries demands a renewed dialogue and a new insight into their economies. The first step is to insist on an original sort of development rather than removing the obstacles to traditional development, the second step is to construct an alternative set of premises to the dominant system of knowledge production. In this alternative set of premises, pluralism should play an important role.

According to Richard Norgaard, in a pluralist approach, complex systems, such as development processes, can only be known through alternate patterns of thinking that are necessarily simplifications of reality. In a monist approach, on the contrary, our separate individual ways of understanding complex systems are merging into a coherent whole. Monism is the belief that there is only one best way for knowing any particular system. In this sense, global development, seen as the spread of the capitalist economic and ethical system to all parts, is clearly a derivation of the monist approach, so is the belief, within the mainstream development studies, that there is one best way to reach the good life and that therefore there is also one best culture to facilitate the process.

On the contrary, a pluralist approach not only accepts different views of the problem, but also does not fear the contradictory unravelling that might occur as a result of the use of opposed standpoints. As Norgaard puts it, “to accept conceptual pluralism is to accept multiple insights and the inherent inability of science to describe complex systems, to predict how they may behave, or to prescribe how to make them behave in another way.” Monism in development studies is, undoubtedly, aesthetically beautiful because of its very strong explicatory power—if only it could explain anything. Pluralism, on the contrary, allows a deeper knowledge of social phenomena because it accepts complexity but has trouble in designing policies.

The main purpose of this paper is, therefore, to propose a pluralist approach to the interaction of cultural and economic factors in development processes, which will eventually discharge culture as an obstacle to development, and to lay a foundation stone for a pluralist development policy.
Is Culture the Matter?

In order to simplify this study, I will focus on some of the most referred to cultural features that matter in a development process. These are: religion, family and patterns of kinship, ethnic diversity and national identity, the performance of authority and, finally, attitudes towards material advancement and entrepreneurship.

Religion

Let me start by saying, that it is not my purpose to plunge deep into all the arguments that have been put forward in literature, and elaborate some kind of ranking of religions according to the ability of each one to promote the development process. This would mean a comparative study on the efficacy of specific religions, which in turn would oblige us to consider development as a goal of religion. Furthermore, some aspects of the interaction of religion and economic activity have generated a long-lasting debate that has not reached decisive conclusions. A good example of this debate is the discussion about the forbidding of interest in loans. No religion has a particular attraction for interest, not even Protestantism, and its prohibition, in Islam for example, has been clearly overstated. Although there seems to be a slow retreat of Islam from economics, seen almost as a perversion, we have to admit that it’s a relatively recent phenomenon and, therefore, to impute it to some kind of Muslim tradition in relation to economic affairs is an exaggeration. One shouldn’t forget that the Islamic world is responsible for some of the most important scientific improvements in the history of humankind: in economics for instance, the works of Ibn Khaldun, dating from the fourteenth century, were precociously similar, in some of their conclusions, to those of Adam Smith, who wrote in the eighteenth century.

As to other aspects of the protestant advantage noted previously, M. Hénaff holds that, in order to understand the differences between the development process in northern and southern Europe, we shouldn’t look for it in the Protestant and Catholic opposition, as much as we should in the confrontation of Roman versus Anglo-Saxon traditional law (to which we could add the Scandinavian and the ancient German law). According to Hénaff, therefore, the noticeable differences between southern and northern European development processes have a
political rather than a religious foundation. So, why should we be interested in religion, then?

There are, in fact, some aspects of religion, and related values, that may need more discussion, like the role of women and attitudes towards science and education. Once again, it is not my purpose to wear out the subject, nevertheless, it is intriguing to notice that in terms of the level of adult literacy, Muslim countries are placed far behind other countries with the same standards of economic well-being. The disparity is even more striking if we compare literacy rates for women.

Research in three villages of Kerala, in southwestern India, shows that, where the Christian community was the largest, more emphasis was given to education and amidst the Muslim majority, less importance was given to it. This research could strengthen the arguments of those who consider religion to have a strong influence on the rhythm of the development process, but P. Kurien puts forward another explanation. During the British control of India, the Muslim community was the most affected and, even today it is difficult to dissociate education, bureaucracy, and medicine from the British. Thus, what seemed to be a simple cultural rejection of progressive values is also, and perhaps mainly, the rejection of the symbols of colonial repression. On the other hand, because of the missionaries, the native Christians were accorded special favours by the colonial authorities and, thus, were able to grasp the advantages of investing in education more quickly. As for the role of women, there is no doubt that, in some segments of Islamic culture, women do play a smaller part, but it is no less true that, on some occasions, this obstacle has been overcome and women have participated in the development process, and even innovated on a world scale (as in Bangladesh with the micro-credit experience).

Another aspect of religion that should be taken into account is the degree to which individuals believe they are masters of their own fates. Rostow described what he called a long-term fatalism in traditional societies, considered to be a strong obstacle to innovation and development. C. Morris and I. Adelman point out that the predominant religions in countries showing higher levels of development stress the view that individuals have significant control over their fates. As we might expect, Christianity and Judaism come out winners in this game and the important role played by magic, in many parts of Africa, should undoubtedly show us where the losers could be found. Once again one should not disconnect the burst of religious dogma from the resistance to what was factual, or virtual, foreign domination. According to S. Latouche it seems that magic in Africa
and Asia grew unexpectedly in the colonial and post-colonial eras, and he ascribes it to the frustration generated by decades of underdevelopment.

**Family and Patterns of Kinship**

In general terms, traditional analysis in development economics finds that the extended family—kinship links beyond the nuclear family—is an obstacle to economic development. The main argument claims that it has an inhibiting effect on many of the factors that are taken to stimulate economic development, such as mobility, saving, risk-taking, and even willingness to work for a higher price. In other words, extended family is a drag on effort.

Extended family would discourage saving, for example, because kin would have access to funds accumulated and, therefore, any effort to save, with productive investment in mind, would be vain as one would have to take into account unproductive needs resulting from the kin obligations. It is true that if one considers economic development as the result of individual effort only, family can easily be seen as a tick on one’s motivation to progress, but if it is not the case, that is to say, if one doesn’t believe in this individualistic vision of development and prefer a more realistic one, according to which, business is strongly embedded in the social relations, it is possible to invert the consequences of extended family without, even to change one’s logic.

Thus, instead of simply consuming capital, kin could be a source of additional capital. Families also have a central role in the promotion of skills and, therefore, in the formation of human capital. Employees might work harder because of a sense of obligation to the family; suppliers could provide unusually favourable credit terms to kinsman because they expect them to feel obligated not to let them down. “Clamorous relatives might also provide useful business contacts.” In a rapid, but not hasty, conclusion, extended family can inhibit or promote economic development according to circumstances; therefore, the important issue in understanding underdevelopment is to unveil which circumstances in an extended family are an obstacle to development, not to try to change the family patterns themselves.

Extended family can, indeed, be understood in terms of economic rationality, as it provides a system of insurance, or social security, against common setbacks of life, whether economic or not, such as crop failure, unemployment, or high death rates. The existence of some
kind of safety net that could mitigate bad fortune might thus contribute to a change in family patterns more efficiently than many kinds of active policy. Pioneers of development studies P. Bauer and B. Yamey stated, as early as in 1957, that “as the economy develops and becomes increasingly removed from the subsistence stage, the concept of the family narrows and the number of people with whom individuals recognise family obligations tends to become smaller.”

The same could be said about demographic growth. An increase in schooling (especially among women), growth in family income, reduction in infant mortality, and the creation of some sort of social security system has more chances of inflecting the demographic trend in underdeveloped countries than actual birth control.

This means that underdevelopment itself is one of the main reasons that the size and structure of the family is classified as an obstacle to development. This doesn’t really make things easier, but it has the merit of making them more clear and it scares away the spectrum of cultural homogeneity as an instrument of economic development. Trying to change cultural patterns in order to accommodate the family unit to the goal of accumulation, that is, to privilege the nuclear family, might even be a wrong prescription because, in the absence of a set of improvements in people’s lives, as seen above, the result could be the concomitance of poverty and social isolation. Thus, the transposition of some modernist ideals, as founding housing policy on the construction of apartment buildings, clearly presuming a nuclear family, in other words a Western European type of family, not only might aggravate the living conditions of the third-world population, because it cuts the safety net which contributes to alleviating poverty, but also becomes a threat to cultural pluralism, imposing individualistic behaviour and excluding other forms of interaction of human persons and the social system.

Ethnic Diversity and National Identity

If a poll were to be taken on cultural obstacles to economic development, I would expect that ethnic diversity would be the reason most often chosen. Indeed, the constant propagation of images portraying civil war, along with its statistics about killing and destruction, is a very persuasive demonstration of the importance of the cultural dimension of economic development and, in this particular case, of the disruptive power of ethnicity, with a special concern for Africa, the most ethnically diverse continent. In reality, this direct
relation between ethnic diversity and a static development process has not only been conveyed by the media, some social and economic studies have also described this kind of negative correlation.²⁸ What is the matter with ethnic diversity, then?

In explaining why the industrial revolution started in England, D. Landes notes the fact that England had the early advantage of being a nation, taken not only as a territory, but also as something close to what we could call a cultural entity. According to Landes, the importance of nations is that they can reconcile social purposes and individual action, enhancing the latter’s performance through collective synergy.²⁹ Indeed, development economists, either diagnosing or suggesting policy, think in terms of the nation-state. The object of the analysis is the national territory, the national income, the national productive structure, and so on. Even the obstacles are accounted at the national level: demographic growth, natural conditions, imbalances in foreign economic relations and, of course, ethnic diversity.

In other words, one of the first steps of a development process would be building a nation-state (a viable nation-state I should add), and this is exactly the source of the trouble. How does one build a viable nation-state with strong ethnic diversity? Some of my students would probably answer, winking at me, with blood and mud. Indeed, a survey carried out in 1988 showed that 63 out of the 111 conflicts occurring in the world at the time, were internal, and of these, 36 could be considered wars for the shaping of new countries.³⁰ A more pacific way of building nations is to look for national identity or, in other words, the greatest possible number of cultural features shared by a more or less large group of people. Once again, how can one do it easily if, within the 184 independent countries in the world, there are more than 600 linguistic groups and 5000 ethnic groups?³¹

A glance at Africa’s ethnic map reveals the difficulties of building a viable nation-state on the basis of a shared cultural identity. It is like completing a jig-saw puzzle with the slight inconvenience of not knowing what the map is supposed to look like when complete. This process is all the more difficult since the very idea of nation-state is a purely European innovation³² and, therefore, presumably hard to transpose to other cultures. In the nineteenth century, Europeans believed that Africans had never built nations, and that, indeed, they were incapable of doing so.³³ Considering that then, as today, ethnic diversity was the African curse, Europeans took charge of the physical and cultural construction of African nation-states. The sad part of the story is that despite this political and geographical effort, and the
unwillingness of the African Unity Organization to discuss any new draught for national borders, the building of nations is still going on in Africa. It is still going on in every continent, including in Europe and North America.

Besides creating serious impediments to the construction of nations, what other problems can ethnic diversity raise, especially at the economic level? Studies on ethnic diversity and public policy suggest that, in addition to leading to inferior macroeconomic policies, ethnic diversity reduces the efficiency of public service delivery, undermines economic performance through the inhibition of social capital and trust, foster clientelism and, finally, restrains development because it depresses democracy (taking for granted that democracy is essential for economic development).

Let us check out these arguments starting with the last one. It is easily accepted that whenever there is strong ethnic diversity, political structures tend to be organized around ethnic groups rather than around philosophical affinities. Therefore, whenever an election is called, it is ethnic belonging, or demographic vigour, that is balloted rather than strategies outlined to enhance the public good. Consequently, democracy is clearly distorted, at least in its role of promoting economic development.

In this particular case, there is no doubt that culture negatively interferes with democracy, but are we sure that, in mature democracies where free choice is a powerful instrument to legitimate economic policies, such interferences never occur? In an election in the United Kingdom, for example, do voters only care about strategies, and can we be sure that their traditional and cultural belonging to the conservative or labour family does not interfere with their judgement of the goodness or badness of particular policies? Ideology is an accepted pillar of Western democracy but, regardless of our values, why is ideology a better basis than ethnicity in procuring stability and representative and fair governance? The more than century old confrontation between the Liberal and the Conservative parties in Colombia, and the dramatic consequences for all its population, show that ideology or philosophical affinities might not be intrinsically superior to ethnicity.

In fact, studies have shown that it is not so much ethnic diversity that impedes democracy, but that democracy is essential to mitigate, or even eliminate, the potential negative effects of ethnic diversity (although this view is not universally held). Studies on democratic Botswana and Mauritius show that, not only have these countries succeeded in maintaining high growth rates, but they have reasonably honest and competent bureaucracies under which the plural characters of their
societies have apparently been reasonably reflected. One could argue that Botswana doesn’t have a very strong ethnic diversity when compared to other African countries, but according to Collier, the risk of conflict is higher precisely when countries like Botswana face the presence of a major ethnic group side by side with smaller groups, than when ethnic diversity is wider.

While it is argued that ethnic diversity raises transaction costs, some studies show that, on the contrary, in the absence of trustworthy institutions, like courts and contract law, ethnic groups avoid cheating to preserve the good name of the group and allow the benefits of trade to continue. Therefore ethnicity can in fact contribute to reducing transaction costs. Furthermore, in the absence of a safety net, the ethnic group plays the role of the extended family that we saw in a previous section of this paper. Nigerian historian P. Ekeh draws a parallel between the rise of feudalism in Europe and the consolidation of the ethnic affiliation in Africa, each of these systems being a response to the security needs of the people. When the state couldn’t provide security to its citizens, as during the slave trade or the post-colonial and neo-colonial state predation, ethnic and kin affiliations strengthened.

Lowered equity in public service delivery, in ethnically diverse nations, in general, occurs only in governments that are undemocratic. Indeed, dictatorships tend not to transcend the ethnic group of the dictator; the more ethnically fragmented the society, the more narrowly based will a dictatorship be. However, democratic governments, in such societies, must cut across ethnicity. In turn, the more narrowly based the government, the greater the payoff to predation relative to the inducement of generalized growth. The problem, then, is not ethnic diversity but the lack of democracy. Such nations face political rather than cultural problems. In order to find the reasons for African underdevelopment, for example, one should look for the obstacles to democracy rather than decorticating the complexities of ethnic differentiation. In other words, cultural homogeneity is not the answer.

After their independence, people in many of the new African states thought that building nations meant more or less the same as homogenizing society. They used a considerable amount of their energy to repress any claim to difference, believing that institutionalizing undemocratic governance was the only way to reach the so-called first stage of development. The irony of this process is that repression in itself can depress development, especially when facing ethnic diversity. The result is a vicious circle from which it is hard to escape. On one hand, we use dictatorship to repress ethnic differences in order to build
the nation-state, and on the other hand ethnic diversity is especially
detrimental to development in the context of undemocratic
governments. Attempts to erase cultural difference by the means of
political repression are not only harmful to economic development but,
in several cases, are also inefficient and counterproductive to the
fostering of national unity. According to S. Amin, the repression of
cultural pluralism led, in effect, to the exacerbation of this same cultural
pluralism through clandestine forms, much more dangerous to national
unity than what the repression was supposed to remove.

Was Africa condemned from the beginning to use repression to build
nation-sates on the basis of colonial territories? B. Davidson says that
it is true that the ancient multicultural kingdoms of Ghana, Mali,
Songhay, and Kamen were similar to the feudal European states but,
unlike them, couldn’t produce any kind of national identity. He also
says that where national identity was created and was starting to evolve
towards a very western-like form of nation-state, with the Asante for
instance, its potential was disrupted by the colonial domination. The
irony in all of this is not half equivalent to the tragedy. After spending
so much time, losing so many lives, and destroying so many of its
resources building nation-states, African countries are now obliged to
live with the bad joke of globalization; the national state is not
important anymore, and this right at the time when many of them are
finally getting rid of their undemocratic regimes. When the nationalist
movements, in Africa and elsewhere, sought independence, why did
they build their new nations within the borders of the colonial
territories? Why did it appear to be hard for the ethnic groups trapped
inside these limits to cohabitate and to co-operate? Were they
condemned to conflict from the very start because of difference?

Until now we have assumed ethnic diversity of the new territories as an
undisputable fact, but is that so obvious? Cultural differences exist
everywhere within nations. In Europe we talk of provincialism instead
even though in many cases, cultural differences led to the establishment
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even though in many cases, cultural differences led to the establishment
of precise borders circumscribing separate national states. In many
others, the vast majority of the cases, the construction of the national
states arose from the aggregation of different cultural identities. The
question, then, is why has this process been so hard to achieve in so
many areas of the third world, especially in Africa? S. Amin says that
the colonial administration has a determinant responsibility in the
creation of the ethnic reality. G. Nkrumah holds that the laws and the
institutions inherited from the colonial powers were often designed to
exploit ethnic, religious, and linguistic differences within and between
African states and B. Davidson declares that tribalism—a

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ramification of ethnicity—is a convenient invention of the colonial period. What was, then, the purpose of this invention? The answer is obvious, to make the colonial administration of vast territories easier and cheaper, without the mobilization of a great number of Europeans that were not only scarce, in view of the enormous task, but also clearly not adapted to the climatic conditions in the field, and therefore subject to high natural mortality rates.\

Does this mean that ethnic diversity only exists in our minds: not at all. Ethnic diversity, and ethnic conflict, is today a fact in many parts of the third world, especially in Africa. My point is that this diversity was overestimated from the beginning and exacerbated with calculated action by the colonial administrations. Amin is ironic enough when he says that the invention of the ethnic group was made by a bunch of bad anthropologists, although good servants of the colonial enterprise. This frenzy of classification could almost be compared to the meticulous work of adventurer botanists discovering the rain forest.

The differentiation between Tutsis and Hutus in both Rwanda and Burundi, for example, is a perfect illustration of the artificial methods used to separate people further than any important feature—culture, language, or history—did in the first place. Some say that, traditionally, the Tutsi minority was the ethnic group that dominated the Hutu majority, but we know today that the feudal Tutsi domination was a fabrication of Belgian colonization. To control the territory, the Belgian administration relied on the Tutsi minority. They invoked a false ethnic, an almost racist distinction between people of Bantu and Hamite origins that prescribed the Tutsis a putative touch of nobility to which Hutus couldn’t aspire. The colonization established the Tutsis as the elite and naturally the administration in the pre-independence period was monopolized by them creating, as one might expect, natural frustration and resentment amongst the Hutus. External influence of the colonizer is at the origin of the surge of many other ethnic groups such as the Bambara in Mali or the Bete in Ivory Coast. In Madagascar, at the beginning of the twentieth century, the colonial administration artificially defined the existence of eighteen tribes and today people recognize themselves in this distinction, especially because the names that were given to the tribes were related to the physical characteristics of the territories they inhabited. For example, Tefasy means those who come from the sands, Tanala, those coming from the forest, and so on.

Ethnic conflicts can also be the result of external interferences other than the colonial adventure. According to Lacoste et al, many of
today’s ethnic conflicts in Africa have origins in the slave trade. From the eighth century until the nineteenth century, first the Arabs and then the Europeans, used some ethnic groups to capture slaves for them. A great many of the actual ethnic conflicts would, therefore, be coincidental with the frontiers between the predator and the predated groups. Although slavery is a very old system, that actually continued long after the Congress of Vienna prohibited it in 1815, there is no doubt that the mass destructive effects on African society have external origins based on the labour demands of the economic systems of other colonized region—the Americas by the Europeans and the Mediterranean and the Middle East by the Arabs. Thus, more than a cultural problem, we are facing historical, political, and economic issues.

The Performance of Authority

In the Wealth and Poverty of Nations, attempting to draw the outline of the political and social institutions necessary to reach the goals of economic growth and development, Landes refers to the importance of tolerance and the rule of law, property rights especially, but not necessarily democratic institutions or government. Democracy, as we know it, is rather recent, even in the great majority of the old democratic countries. Indeed, European economic development was in progress long before the consolidation of the democratic regime. Does this mean that the way in which authority is exercised is not an issue?

The opposition between centralized and delegated use of power is, on the contrary, quite relevant in explaining the precocity of economic development in England and the Netherlands when compared to France or Germany. We have already seen how Hénaff emphasizes the difference between the Anglo-Saxon and the Roman legal traditions in this paper’s section about religion; it is time for a slightly more thorough inspection of the subject.

Regarding political institutions, the Roman tradition establishes the unconditional character of the sovereign’s power; in the Anglo-Saxon tradition, in contrast, sovereignty is delegated. In terms of administration, the principles are the same, in the Roman tradition it is the central administration that decides all, whereas in the Anglo-Saxon tradition matters that can be decided locally need not be taken higher up in the hierarchy of the State. In France, public servants were historically appointed from the central authority and, very often, they come from a
region other than the one to which they were appointed. This procedure is still largely followed in France.

The tradition of centrality allowed French kings to decide, more or less by themselves, the nature and the level of taxes; consequently, the burden of taxation fell essentially on the productive population, leaving the elite free of charges. In England, on the contrary, the monarchy was obliged to negotiate with different social groups. Tax policy was decided through negotiation and the tax burden was more equitably distributed. According to Hénaff, this resulted in innovation and competitiveness with long-lasting benefits for all.

Given this overview, one should ask the question: Can we find in the different cultural traditions in the third world a tendency towards authoritarianism in politics that could explain the obstruction to development as presented, for example, by Hénaff for France? The Roman tradition was undoubtedly transplanted to Latin America, but what about the rest of the underdeveloped world?

In a conference on Globalization, Science, Culture and Religions, held in Lisbon in October 2002, D. Etounga-Manguelle, chairman of the Yaounde based company Société Africaine d’Études, d’Exploitation et de Gestion (SADEG), declared that among the progress-resistant features of African culture there was “an excessive concentration of authority and power in one individual, who will often claim magical powers.” The recent history of Africa gives unquestionable examples of this excessively centralized manner of administering authority, but is this the underlying cause: is authoritarianism a cultural feature? Indeed, on many occasions, while analyzing the cultural background of underdevelopment, especially in Africa, there is a tendency to isolate these features from the last centuries of the societies’ history.

If one wants to look for, say, an African tradition of exercising authority, one should not forget the few hundred years of colonization and unequal development that have affected this continent. To get a more authentic view of tradition in these fields, one should probably study pre-colonial Africa where the image of the despotic tradition is not so striking. There, where there were organized states, the forms of government could be either centralized or more participative. One feature, though, seems present almost everywhere—the tradition that the people could overthrow the ruler in a variety of institutionalized ways. This is an important feature of a non-authoritarian exercise of power, rather than the opposite.
Regarding Asia, A. Sen\textsuperscript{65} states that it is not clear to him that Confucius is more authoritarian than, say, Plato or St. Augustine, but that in the Buddhist tradition great importance is attached to freedom. According to him, the advocates of the authoritarian view of Asian values base their reading on very arbitrary interpretations and extremely narrow selection of authors and traditions.\textsuperscript{66} To justify this judgement, Sen refers to edicts of the third century BC, found in India, where tolerance is clearly emphasized not only as a rule for government but also for individual behaviour. He refers to the writings of Kautilyia, an Indian author contemporary with Aristotle, in which freedom is considered indispensable to the upper classes, although not to the rest of the people.\textsuperscript{67}

As for the Far East the question is tricky. There is a clear image of rigid authority in China and in Japan supported by the contemporary near deification of rulers. This issue is difficult because, in general, this strong central authority is considered to be one of the reasons for developmental success of this region. Here, authoritarianism does not seem so bad after all. Despite this strong feeling, Lê Thàn Khôi refers to the value of loyalty to the ruler and to the community as far more decisive than the authoritarian character of the political culture. He stresses that, in China, the theory of the celestial mandate admits the right of the people to rebel against the monarch should he fail in his mission to ensure the state’s well being.\textsuperscript{68}

If culture or tradition cannot explain the authoritarian application of power among the majority of the third-world countries during the post-colonial period, what can? It would be presumptuous to give the ultimate explanation to the lack of democratic spirit in the third world within the limits of this section, and certainly foolish because of my limited talents as a political scientist. The idea, as in previous sections, is to provoke a confrontation between the traditional and widely held vision of the cultural problem and a more heterodox one, although obviously partial and, therefore, limited.

The brief alternative mechanism presented here, is a result of the economic structure and the institutions inherited from the colonial period. Regarding the economic structure, a number of African economies depend on the export of scarce natural resources or plantation crops, which have shown a tendency to lead to “loot-seeking activities.”\textsuperscript{69} This kind of appropriation of national income is clearly opposed to democratic, problem solving, distribution of national wealth, even more so when the ruling elite constitutes a small group. The gains
to an extractive strategy, a euphemism for loot, are closely related to the size of the ruling elite group. Thus, when the number in the elite is not large, each member can expect a larger piece of the cake: the smaller the elite group (and we could add the more unequal the income distribution), the greater the incentives to be extractive. Following the same line of thought, the greater the extractive character, the greater the risk for the elite of becoming a political loser, that is to say of losing their economic and social status if replaced, which, in turn, favours authoritarian strategies to keep their power.

In many parts of Africa, European colonization was mainly interested in exploiting natural resources and exotic crops, a main reason for excessive economic specialization and the alienating dependence on volatile external markets. In turn, the colonial administration delegated the day-to-day running of the state to a small domestic elite, and made only small investments toward educating the native population, which partly explains the existence, at the time of independence, of a small elite group, almost exclusively connected to either extractive activities or colonial administration.

After taking control of the state, the elite had few incentives to change the institutions and consequently favoured the undemocratic and extractive institutions that prevailed in the colonial era. This process may actually have also occurred in others parts of the world, such as the Caribbean. If we accept all of this, it follows that the authoritarian exercise of power has little to do with culture and is much more related to historical and economical matters. A comparative study of Botswana and Lesotho gives an enlightening example of this.

As well as sharing the same traditional ruling institutions in pre-colonial times, Botswana and Lesotho are very similar both linguistically and culturally, but Botswana evolved towards democracy and Lesotho did not. The reason for this divergence can be found in the recent history of the two countries. The limited impact of the colonial rule in Botswana, as compared to the experiences of many other nations in Africa, South America or the Caribbean, allowed the continuity of the pre-colonial institutions. The elite that came to power after Botswana’s independence was only partly made up of members of the former administrative elite; the power, therefore, became essentially delegated. In Lesotho, in contrast, the wars against the Boers and the fact that the British were much more interventionist undermined the traditional institutions and contributed to the centralization of political power in the hands of the elite.
Attitudes To Material Advancement and Entrepreneurship

Around the middle of the twentieth century, W.W. Rostow\textsuperscript{77} identified six individual or collective propensities that were supposed to demonstrate the connection between non-economic variables and economic growth. One of these six, the propensity to seek material advancement, is particularly relevant in this section. The idea is very plain: If one doesn’t look for wealth how can one reach it? From that to the hypothesis that third-world populations aren’t much interested in wealth is a small step. Indeed, in the usual vision of traditional society, it is commonly accepted that economic imperatives are less important than symbolic ones,\textsuperscript{78} which is an obstacle to development because it distracts the community from concern with reality. Recapturing the words of D. Etounga-Manguelle about the obstacles to modernization in African culture, we would find that a high degree of fatalism, irrational, and occult beliefs and a focus on the past and present, not on the future, all taken to be part of Africanity, contribute to a bad general attitude toward material advancement and entrepreneurship.\textsuperscript{79}

In traditional rural culture, there is a strong entanglement of the present and the past, the future often being another display of this entanglement. In Madagascar, for example, one feels obliged to bring the newborn’s placenta to the grave of the ancestors in order to respect the tradition,\textsuperscript{80} as if saying that the future is nothing but an eternal recommencement. Agriculture is not just simply an activity with nutritional or other productive ends. Men manipulate instruments as much as they perform rites.\textsuperscript{81} In these rites men relate, not only to nature and the divinities, but also to the ancestors. In the Island of New Britain, Papua-New Guinea, among the Mae Enge people, horticulture does not signify the transformation of matter and a fight against nature, but an exchange with the ancestors and the gods. The good or bad results of the harvests depend on whether they have been well honoured or not.\textsuperscript{82} The land, in Africa, traditionally belongs to the community, although it may be individually exploited, the symbolic justification for this is that it belongs in fact to the ancestors, the chief being some sort of keeper.\textsuperscript{83}

Another example of this attraction to the past can be found in the reification of pre-colonial Africa, considered by A. Kabou\textsuperscript{84} as a symptom of African incapacity to access modernity. Although she admits that this is a subterfuge to overcome the shame of colonization, she also believes that it is a cowardly manner to do it. So Africans turn
to the past rather than to the future, but why? Why should Africans spend their money in their tombs in preference to investing it in commodities or assets? Because life is ephemeral, we could simply answer. Indeed, life expectancy in sub-Saharan Africa, for the period 1995–2000, averages forty-eight years and almost half the population have no probability of reaching the age of forty. With these poor health conditions, how can one seriously blame Africans for not thinking too much about the future?

If we accept, as S. Latouche holds, that culture is a society’s response to the problem of its social existence, then culture is related to that society’s environment, taken in a broad sense. Thus, it is well accepted that amidst an uncertain universe, agents tend to prefer both short term and intergenerational investments. In the short term, they tend to pick the options that preserve the greatest amount of possibilities to change the route or simply to back up. Therefore, there is a strong preference for liquidity and a choice for monetary and financial assets rather than for productive assets. Families also favour the extreme long-term options, especially betting on people, either saving for education, or plainly investing in demographic growth.

That is why what seems, at first glance, irrational to economists is probably just another form of rationality. The Western view of rationality describes it in a way that makes it almost synonymous with economic efficiency. Therefore, any act involving economic means without concern for the maximization of productive output or the minimization of the former, in other words for the multiplication of an initial asset endowment, is seen as irrational. An act can be considered rational if it combines efficacy, efficiency and consistency. Efficacy literally means that it produces the expected outcome, therefore it needs to take people’s goals into account. Efficiency is a quantitative calculation in terms of the effort and time involved in the process of attaining a goal, and, finally, consistency requires that one makes a choice of means that are conducive to the goal, and that, while pursuing an objective, one doesn’t jeopardize another. All of this characterizes the human form of life and there is no a priori reason to believe that the major part of the world’s population is deprived of it. What differs from place to place, or from culture to culture, is not the degree of rationality, but the ways in which people conduct their affairs and the purposes considered.

Thus, when one notices that a typical African parcel of land is encumbered by several crops against the grain of technological rationality, or when the farmer minimizes risks instead of maximizing
yields, one should take into consideration that under the constraint of a very uncertain environment the rational behaviour is, precisely, to ensure the strongest level of “security to the group,” and the highest level of “protection of the environment.” The same logic applies when E. Ndione says that in Dakar wealth isn’t measured by the accumulation of financial capital, but through the amount of connections one can mobilize to his, or to his social group’s, advantage. The problem, thus, is not an inability to generate accumulation but could, plainly, be a lack of interest in capital accumulation. That is also why having what seem to be too many children when you are poor, is not an irrational behaviour, but an investment in one’s long-term security, when society does not offer any other safety net. Therefore, if people’s behaviours do not match what traditional microeconomics considers rational, should we conclude that people are wrong?

The so-called irrationality of economic behaviour in underdeveloped countries can also be explained by history and social structure, repelling as above the cultural argument. If an African worker, or any other worker in the third world for this purpose, works less when offered higher pay, one should not immediately ascribe it to cultural irrationality. The mercantilists in seventeenth century Europe also noticed that when wages went up, workers worked less, and dedicated their gleaned leisure to alcohol and prostitution. They concluded that the only way to keep workers interested in production was to pay them poorly, just enough for them and their families to survive. William Petty, for example, laid the blame on the worker’s intrinsic low level of morality, whereas the high level of mortality and the almost nonexistent social mobility that rendered effort useless and incited the workers to seize the day could also explain this behaviour. M. Godelier shows why the fact that the ancient Greeks despised work was not as much related to some cultural or philosophical option, as to the connection they established with slavery, the main supplier of labour in Greek economy. Is there any reason to believe the story should be radically different in Africa, or in the rest of the third world?

In Nigeria, innumerable Yoruba maxims and folk songs praise effort and stigmatize laziness, allowing R. Soetan to say that the Yoruba have always extolled the merits of labour industry and thrift amongst citizenry from youth. Markets and trade have always been part of everyday African life. Amidst enormous difficulties African merchants display a fantastic and imaginative capability to thrive, or simply to survive. The energy shown by the informal economy should silence all those who still believe in a cultural obstacle to entrepreneurship. The problem does not concern entrepreneurship in small-scale enterprise but
in larger investments. In this particular field native African participation is quite marginal. At this level the problem is more institutional and what has already been said about the extractive institutions is valid here. The non-existence of real markets can partly explain such unwillingness for enterprise, but we should not stop at the neoclassical interpretation of the absence of real markets in developing countries, namely excessive state intervention and corrupt institutions. Markets are considered to be the perfect tool to satisfy the rational allocation of scarce resources. Therefore, they can contribute to solving the real problems of citizens, but they can also satisfy and perpetuate ceremonial ends when free markets are driven by the wealthy few. Thus, when the requirements for the operation of effective private markets are not fulfilled, imposing a sham free market can leave people worse-off than they were before and can only contribute to demoralizing entrepreneurship.

The Matter with Culture

I have tried above to propose an alternative view to the much-proclaimed negative interaction of culture and economic development. The remarkable resilience of some third-world cultural features, that is sometimes mistaken with a resistance to progress, a resistance to the very idea of development, might not be quite that. I hope to have shown that the exacerbation and consolidation of the traditional cultural features is not the result of an inability to evolve, but, partly a response to an unfavourable political and economical environment, sometimes even the result of a manipulation of traditional institutions in order to achieve domination by external forces.

In the previous sections, we have seen that colonization, mindless and corrupt states, scarcity of financial institutions and poor health and education, were, partly, responsible for the resilience of such cultural features as, dependence on religious dogma, extended families, conflicting ethnic diversity, authoritarian institutions and lack of entrepreneurship. Put all together, the reasons for the resilience of these cultural features almost make up a treatise on underdevelopment. Therefore, culture in developing countries is not an obstacle to development as much as an outcome of underdevelopment.

Underdevelopment should not be seen here as a mere delay or inability in the process of development, but as the result of the implementation, in the last half of the twentieth century, of a particular development model. This model was characterized, among other features, by policies
almost exclusively driven by the state, a corrupt and authoritarian state often representing foreign interests, an excessive specialization around the export of natural resources and plantation crops, the exploitation of rural society by urban oriented policies, historical dependence on colonial powers—first through occupation and afterwards through unequal trade—and a financial system that favoured the funding of large projects, connected to the elite, and to the quest of external markets for the exporting industry in the developed countries. All of this left an unbearable burden of debt for years to come.

This social and political environment conditioned the evolution of traditional society. I hope to have shown that the cultural institutions of the third world proved to be remarkably adapted to the underdevelopment model implemented in the third world from the beginning. Let me draw, now, some intermediate conclusions that pretend to contradict the orthodox vision of the interaction of culture and development. First, the fact that some of the cultural features that we have seen result from exogenous interference prove that they are the result of an evolution, the outcome of history and of the development process, therefore, it is quite simplistic to take culture as a brake to change. Second, culture should not be seen as an obstacle to development, but rather as an instrument in resisting underdevelopment. Without their cultural institutions people in a great number of developing countries would probably be worse-off now.

In the absence of private property in Africa, ethnic association and extended families are effective land allocation instruments for rural communities. Such groups also constitute safety nets in the absence of any social security system; a structure of human capital formation and a cushion for migrant hazard; an institution for contract enforcement and for reducing transaction costs; and finally, a financing institution with a special reference for the system of the tontine, a rotating credit pool that mobilizes funds for business start-up. This financial system demonstrates not only the vigour of community initiative, but also the important role of women, who, in Western Africa, dominate this sector.

This does not mean that some of the cultural features described do not have a negative effect on the development process. Ethnic diversity and extended family, for instance, can, indeed, become not only obstacles to development but also weapons of massive destruction, as the world has witnessed in Rwanda and more recently in Congo (former Zaire). The solution, however, in the majority of the cases, is political and economic, but this does not imply that one has to adopt an alien culture.
apparently best fit to promote development. Leaving behind whole cultures for the delights of development should not even be an option; many studies show that the only countries that have succeeded in development are those that kept intact the spine of their culture, such as Japan and South Korea, and on another level, Botswana.

I stress that this defence of cultural pluralism should not be mistaken for radical relativism or the consecration of difference. We should not ignore what others have to say, but we also have to make sure that there is still something to say to each other. In practical terms, development policies should not rely exclusively either on the use of universal models or on a prodigality of case studies and monographs. On the one hand, the knowledge produced is useless to an understanding of the complexity of development processes because it lacks realism. On the other hand, there is a risk of the dissolution of policy oriented knowledge because any information gathered is threatened by the immediate expiration of its validity. Thus, between the dominant model, that ignores difference, and the particularistic fundamentalism that depoliticises the development process, there has to be some kind of path.

Cultural Foundations for a Pluralist Development Policy

If there was any secret in the success of what were once called the “New Industrialized Countries of the Far East,” it was the combination of openness to the external winds of progress, namely technical progress, and the cultivation of tradition. Because societies always search both to change and to last, this combination appeared to be mutually beneficial, as change ensured continuity and tradition worked as a technique to incorporate change. Why wouldn’t this happen in the rest of the underdeveloped world?

According to G. Rist, the main difference is that Europeans adopted foreign technique, the compass, paper, or music instruments of all sorts, on a voluntary and individual basis. They could have ignored these discoveries, but they chose to incorporate them. Whereas in the third world, modernity was largely imposed, sometimes violently, and could not have been a matter of plain individual choice, because such a technique demanded the existence of networks. Talking on a telephone needs the previous connection to a telephone exchange; farming with a tractor requires the existence of petrol stations and
repair-shops. Consequently, in the process of incorporating progress, the way it is presented is at least as important as its nature.

The first step taken in this paper in order to build a pluralist development policy was to use different and sometimes contradictory approaches to the cultural problem. Thus, in searching for the source of this problem, we can use neo-Marxist approaches as much as neo-classical. On the one hand, imperialism under the shape of colonial administration and the heritage of a particular economic structure based on the export of very few goods, mainly natural resources, can explain the resilience of such cultural features as ethnic diversity and authoritarianism. On the other hand, neo-classical and neo-institutionalist interpretations, which insist on pointing out the fatal influence of undemocratic and corrupt state to explain underdevelopment, can also help us to understand why it has been hard to create a sense of the common good and, thus, to substitute wealth exaction for wealth creation. Furthermore, the fact that basic needs requirements are far from being fulfilled can also explain the resilience of large families and the difficulty of implementing democratic governance. Traditionally these views, especially neo-Marxist and neo-classical, are presented as contradictory and, therefore, they are seldom combined to explain underdevelopment. This paper, on the contrary, has tried to give a pluralist interpretation of the interaction of culture and economic factors in explaining underdevelopment.

Let us consider the following reasoning to give an example of such an explanation. Ethnic diversity in many countries is a fact, although this cultural feature was exacerbated and sometimes built up stone by stone by colonial authorities. The conflicting nature of this ethnic diversity has often contributed to jeopardizing the meagre economic achievements in many parts of the world. Attempts to homogenize nationalities have also brought totalitarian regimes and even more hatred between communities, which mean that hindering ethnic diversity became, in turn, a new obstacle to development.

P. Collier\textsuperscript{109} pointed out that democracy is essential to mitigate, or even eliminate, the potential negative effects of ethnic diversity. In practical terms, the introduction of democratic governance in an ethnically diverse country, especially in Africa, does not appear to be a simple task. Ethnic groups tend to substitute political parties and therefore demographic vigour tends to legitimate the access to power more than the balloting of strategies designed to enhance public good. The problem, then, seems to have no solution.
The first step (not meaning that it should be taken in the first place or that it would be easy) is to work on the transformation of the economic structure of several of the developing countries. The diversification of the sources of external revenue is crucial to create new elite classes. This cannot be done by accepting the actual structure of foreign trade, which has privileged what Collier and Gunning\textsuperscript{110} call a loot-seeking economy. In this sense excessive specialization should, then, be avoided.

The second step is to admit that democratic governance is not forcibly a synonym of majority democracy. That is to say, among ethnically divided countries, the principle of the winner takes it all might not be applied. This should not mean that the governments produced by this system would not be democratic. They would just be based on a different plural conception of democracy. The exploration of possibilities is not new. On this matter, the most cited work is A. Lijphart’s, published in the late 1970s.\textsuperscript{111} The author analyzes the democratic political systems of ethnically, or culturally, divided countries such as Switzerland, the Netherlands or Belgium. In this system, that he calls consociative democracy, the government is not politically homogenous but composed, instead, of the different political organisations in proportion to their weight in parliament.

The fact that these countries display stable and democratic governance is sometimes presented as a demonstration of the non-inevitability of conflict and totalitarian political regimes in ethnically and culturally divided societies.\textsuperscript{112} Therefore, ethnic diversity in itself should not constitute an obstacle to democracy and even to development, as the above-referred countries are also among the wealthiest in the world.

Democratic reforms implemented in Africa in the nineties only had formal effects, partly because the majority system confers power to the organization that obtains the majority of the seats in parliament, frustrating all the others. When these organizations correspond to ethnic groups, this means that the minorities are condemned to remain far from the administration of public affairs. Therefore, this form of democracy, instead of contributing to reducing the conflicting potential of ethnic diversity could, on the contrary, foster violent coexistence of the different groups.

A system based on the principles of the consociative democracy has a chance to break the vicious circle in which several developing countries have been imprisoned since the creation of their nation-states. Ethnic diversity could cease to be a source of conflict and an obstacle to
democracy, and democracy wouldn’t need to wait for cultural homogeneity to function. In this sense, two extreme views on the interaction of cultural and economic factors can be dismissed. The first is that the cultural particularities of developing countries are an obstacle to democracy, and the second that parliamentary democracy is a Western concept and, therefore, not adaptable to third world countries.

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