

Culture And Economic Development: Modernisation To Globalisation

Herb Thompson

Professor of Economics

Murdoch University

hthomps@central.murdoch.edu.au

Introduction

Despite constant post-war efforts to decipher the development process, it appears that little practical progress has been made. Many theories have been proposed (some leading directly to policy), but very few developing countries have succeeded in breaking the bonds of underdevelopment. Social theorists from Karl Marx to Daniel Bell have argued that economic development brings pervasive cultural change. Others, from Max Weber to Samuel Huntington, have claimed that cultural values are an enduring and autonomous influence on society. Empirically we find evidence of both massive cultural change and the persistence of distinctive cultural traditions. The relationship of "culture" and "economic development" during the past fifty years can be, and has been, viewed variably as causal, correlative or relatively autonomous.

The relationship between culture and economic development is extremely complex. Notice however, that this assumes, to start with, collective agreement upon the meanings of the terms (culture and development) is possible. Or indeed, that when agreement is achieved, the terms are not so general that they become tautological or lose all applicability. Working definitions will be provided below but the fact is that the concepts of culture and development are both opaque, making them impervious to meaningful discourse. Eagleton (2000) reminds us that "culture" has been used differently in various historical and structural circumstances. The term stood for civility in rural labour, "civilisation" in the 18th century, and as a proxy variable for criticising industrial capitalism in the 19th century. Today, the trouble with usage of the term is that it has come to mean, on the one hand, something disabingly local and overspecialised--basically nothing more than the affirmation of a specific identity--and, on the other, everything from a habit of mind, the arts, political institutions, to a whole way of life.

Incorporating "modernisation" and "globalisation" into the analysis compounds the definitional quandary. Modernity was a project of global conquest originating in Europe. There are two ways to understand this. There is an obvious Eurocentric position, which holds that because of the exceptional characteristics of European culture and rationality, the people were able to transcend their limitations and extend their influence across the world. The second is a less crude, but indirectly similar position, which conceives of Europe, while not the normative centre of modernity, having priority as the historical point of reference in any process of change from the 15th century onwards (Jameson and Miyoshi, 1998). The intellectual portrayal of modernisation was as a political and economic proposition coming to the fore following World War II, that equated the intellectual, cultural and technological advance of victorious nations as something that needed to be emulated by the "poorer, less civilised" peoples of the world. This is connected to the process of "modernity" which began about five centuries earlier.

World historians, especially, are aware of the fact that the "shrinking" of the world started as early as 1492. Indeed, mass migration, cross-cultural trade, warfare, and colonization have economically, culturally, and politically been changing the shape of world history over the past five centuries. So in that sense there is nothing new about "globalisation". Today, globalisation is a word that points to a phenomenon identified interchangeably as a process, an historical event, or the end result of shifting "ethno-, techno-, media- finance-, and ideo-scapes" (Appadurai, 1996: 32). Accordingly, it replaces the unavailing verb, modernisation, because modernists and their opponents depended on outmoded dualistic analyses such as "centre-periphery", "north-south", "First World-Third World", "developed-developing", and other noted Cartesian distinctions. A consequential tradition of post-Nietzschean philosophers (including Heidegger, Sartre, Gadamer, Derrida, Foucault, James, Dewey, Quine or Rorty) would

concur with ridding ourselves of this type of either-or thinking. Or as Pynchon's heroine Oedipa Maas muses: "Excluded middles," are "bad shit, to be avoided." She is lamenting the absence, in her world, as indeed in our world, according to conventional logics - of any third alternative to the polarities of dichotomous choice, any mode of being that involves only yes and no, or existence and non-existence, or true and false (Pynchon, 1972: 136).

The concept of modernisation was very much tied to the idea of re-creating the world in the image of American and Western European principles and culture. More recently, discussions of globalisation (culturally) describe a process by which the world is becoming increasingly interconnected and unified, subject to homogeneous and uniform processes of cultural unification. Characters such as Madonna and Michael Jackson, or the corporate logos of McDonalds and Nike are examples of global awareness.

Others would argue that relatively autonomous cultures coopt (Jordon, 1997) global phenomena and re-construct them for local consumption. Numerous examples exist, which would include:

- Thai Boxing by Moroccan girls in Amsterdam
- Jazz in Europe
- Irish bagels
- Chinese tacos
- Indian communities that celebrate Mardi Gras in the United States
- Or, white American boys talking "rap" for that matter.

To be successful, cultural products such as music, sport, food, business, literature, etc., often require the approval of globalised audiences. It is also true that "global culture" is, and always has been, filtered by every local group, assemblage, or social formation to make it meaningful within particular social and historical circumstances. Media ethnographers have explored the culturally specific interpretations given to American popular cultural goods and note how producers and marketeers of these goods are well aware of the necessity for local variations in commodity distribution. It is also true that global audiences appreciate being able to identify the "local" in cultural products they import. Global advertising campaigns display a marked consciousness of cultural heterogeneity, often involving marketing strategies that are slotted into larger campaign packages to appeal to, or to promote, specific cultural localities.

We proceed in the following section to define our terms, before proceeding to pursue the relationship between "culture and economic development" as analytical concepts during the past 50 years. This is done by examining the usage of the terms during two major conceptual epochs, the first being that of "modernisation" and the second presently under way, that of globalisation. We conclude that the emphasis on the causality of one or the other concept is based on analytical laziness and the refusal, or inability, to confront complexity and multicausality.

What Are we Talking About?

Culture

The total complex pattern of customary human behaviour, social forms and material traits embodied in thought, speech, action, and artefacts and dependent upon the human capacity for learning and transmitting knowledge, and systems of abstract thought. This will include beliefs, morals, laws, customs, opinions, religion, superstitions, and art.

Economic Development

An increase in the ability to "choose and make decisions" for the maximum number of people, during the maximum length of time, that will result in a sustainable increase in material and social welfare given allowances for both interpersonal and intergenerational criteria.

Modernisation

A "conceptual framework that articulated a common set of assumptions about the

nature of American society and its ability to transform a world perceived as both materially and culturally deficient" (Latham, 2000). Specifically, modernisation theorists posited a sharp distinction between traditional (read poor) and modern (read United States) societies. They took for granted that economic development, from traditional to modern, proceeded along a single straight, unambiguous line. Finally, modernisation advocates expected that contact with vital modern societies would accelerate progress in stagnant traditional societies.

Globalisation

Globalisation includes a spatial reorganisation of production, an increasingly common interpenetration of industries across borders (Brooke, 2001), the spread of financial markets, the diffusion of identical consumer goods, massive transfers of population, resultant conflicts between immigrant and established communities in formerly close-knit communities, and an emerging world-wide preference for less statism and more democratic decision-making (Mittelman, 1997: 2).

This brings us to the issues and questions that have permeated the political and economic texts on development for the past fifty years and remain the subject of this paper.

1. Do certain cultural traits promote economic development?
2. Does economic development adapt to immutable cultural traits?
3. Does economic development instil certain cultural traits?
4. Do cultural processes internalise and appropriate developmental processes?
5. Are culture and economic development relatively autonomous?

We should be reminded at this point that this extremely fertile and intellectually searching debate and dialogue, as to the institutional and cultural prerequisites and foundation for economic development has been simply ignored by most of those in the economics profession (Bilig, 2000: 781). Discussions of culture in general or the alternative propositions of class, colonialism, imperialism and racism or sexism were, and are, not seen by mainstream professionals as being within the parameters of economics. For them, these terms represent unimportant, irrational, messy noise, which require *ceteris paribus* clauses. This and many other crucial debates with respect to economic development have had little if any impact on the discipline. Therefore, you will find, even today that most of the dialogue with respect to economic development will be within the discourse of anthropologists, political scientists or sociologists. Of greater concern is that most recently the sub-discipline of economic development is losing support within the profession as a viable economic subject worthy of attention. Consequently, those economists consulted with respect to issues of economic development totally ignore (or worse, justify) the negative political and social consequences of their advice.

Modernisation: Culture « - » Economic Development

The first issue of the first journal on development economics, *Economic Development and Cultural Change*, came out in 1952. At that time there existed only a handful of scholarly works specifically devoted to the subject. The prevailing view was that for poor countries to achieve capital formation, productivity and consumption, comparable to those in developed countries, it was necessary to duplicate the cultural institutions of the latter. Ethnocentric 'growth' and development theories and the establishment of a number of global development institutions such as the World Bank and International Monetary Fund propelled one another as part of the Cold War.

One of the more strongly argued positions that poor nations must emulate rich nations, was that of Walt Whitman Rostow (1960), who later as special assistant to President Lyndon Johnson argued vociferously for intervention in Vietnam. The general proposition taken by Rostow, and others, was that in order to produce and consume like the wealthy, one had to change "traditional" cultural attributes and proceed in orderly fashion to achieve a "take-off" into sustained development. In fact, the Kennedy Administration has been seen as the "golden years of modernisation theory" (Latham, 2000). The Alliance for Progress, the Peace Corps, and the strategic hamlet program in Vietnam were all policies that drew their conceptual frameworks from modernisation theory. The characters promoting these policy initiatives were some of

the more prominent academic proponents of modernisation, notably Walt Rostow, Lucian Pye, Eugene Staley, and Lincoln Gordon. Under Kennedy, these and like-minded professors were not just advising or speaking to the incumbents of power, they got to put their hands on the levers.

Manifest Destiny!

God has not been preparing the English-speaking and Teutonic peoples for a thousand years for nothing but vain and idle self-admiration. No! He has made us the master organizers of the world to establish system where chaos reigns... He has made us adept in government that we may administer government among savages and senile peoples (Speech by Senator Albert T. Beveridge from Indiana (1899-1911) in 1900, cited in Ryser, 1992; also see Modern History Sourcebook).

There are fundamental historical roots for the ideology of modernisation, which permeated the Kennedy administration, that can be traced back in the American psyche to "Manifest Destiny". In 1845, a democratic leader and influential editor by the name of John L. O'Sullivan gave the movement its name. In an attempt to explain America's thirst for expansion, and to present a defence for America's claim to new territories he wrote:

... the right of our manifest destiny to over spread and to possess the whole of the continent which Providence has given us for the development of the great experiment of liberty and federative development of self government entrusted to us. It is a right such as that of the tree to the space of air and the earth suitable for the full expansion of its principle and destiny of growth. (*Brinkley, 1995: 352*)

Although the movement was named in 1845, the philosophy behind Manifest Destiny always existed throughout American History. It conveyed the idea that the rightful destiny of the United States included imperialistic expansion (University of Groningen, 2001). The war with Mexico and appropriation of the Southwestern United States was just one of a series of aggressive acts. An article in the *Democratic Review* in 1845 included the observation that: "Imbecile and distracted, Mexico never can exert any real governmental authority over such a country...Anglo-Saxon emigration has begun to pour down upon it armed with the plow and the rifle, and marking its trail with schools and colleges, courts and representative halls, mills and meeting houses" (University of Groningen 2001).

During the Mexican Revolution at the beginning of the 20th century President Woodrow Wilson established a working agreement with Francisco (Pancho) Villa, one of the most powerful leaders of the Mexican revolutionaries. Wilson offered Villa the full support of the American government on the condition that Villa pledge to incorporate a cultural appreciation for private property and the same kind of democratic principles as existed in the United States into his goals. Given Villa's unequivocal agreement, in December 1913, Wilson publicly expressed his high regard for the Mexican revolutionary. In fact, Villa gave his support to the American invasion of Vera Cruz, Mexico on April 21, 1914 to put down the resistance of civilians and naval cadets against American occupation and use of the port (Katz, 1998: 311-312, 336). The commander of the U.S. forces along the southern border with Mexico, General Hugh C. Scott, later to become chief of staff of the U.S. Army had fought on the "Indian frontier", participated in the Spanish-American War, fought against the Moro's rebellion against U.S. interests in the Philippines, and been an administrator of the U.S. military government in Cuba. He firmly advised Wilson that "only enlightened Westerners could guide these people toward modernization and civilization" (Katz, 1998: 318). Rudyard Kipling, Nobel Laureate in Literature in 1907 (Kipling, 1899) had much more poetically urged the United States to help the inferior people of the world adjust:

Take up the White Man's burden--
Send forth the best ye breed--
Go, bind your sons to exile
To serve your captives' need;
To wait, in heavy harness,
On fluttered folk and wild--
Your new-caught sullen peoples,
Half devil and half child....

Those who viewed underdevelopment as a direct consequence of a country's lack of sophisticated psychological and cultural traits, also believed that traditional values were not only mutable but could--and should--be replaced by modern values, enabling these societies to follow the (virtually inevitable) path of capitalist development. The causal agents in this developmental process were seen as the inhabitants of rich, developed nations that would stimulate the modernisation of "backward" nations through economic, cultural, and military assistance (Lerner, 1958; Weiner, 1966). According to Latham (Latham, 2000) Cold War intellectuals were lost in a fog of ethnocentrism and nationalism.

Backlash to Modernist Theory

Then came the ideological, political, and economic earthquake of the 1960s and culture was conceptually pushed aside as the social sciences came to be strongly influenced if not dominated by Structuralism, Institutionalism, Marxism and Dependency Theory. "Modernisation" theory was not only criticized, it was ultimately pronounced dead (Wallerstein, 1976). The post-war version of modernisation theory had seriously neglected external factors, such as colonialism and imperialism, as well as the newer forms of economic and political domination. The emerging neo-Marxist and world-systems theorists emphasised the extent to which rich countries exploited poor countries, locking them into positions of powerlessness and structural dependence (Frank, 1966; Chase-Dunn, 1989; Chirot, 1977; Chirot, 1994; Wallerstein, 1974). "Culture" was replaced with the specificity of class, race and gender in the developmental process, all of which are still prominent in the social sciences as analytical constructs. From this perspective, culture is a diversion from the allegedly real processes in the contemporary world (or worse, is simply a purposeful cover for capitalist, racist, and sexist oppressors).

Marshall Sahlins was also of significant cross-disciplinary importance as well with the publication of his book *Stone Age Economics* (Sahlins, 1974). He alerted us to the fact that our prevailing belief that industrialisation frees us from much of the drudgery found in non-industrial societies is largely a myth. This provided a yet another antidote to the "modernisation" school's implicit assumptions of Western technical and moral superiority. This fracture in the mythology of modernisation may be of less surprise today, cross-culturally, given the epidemic of stress disorders in workplaces throughout the world (Schor, 1991).

Globalisation: Culture « - » Economic Development

In 1985 the wheel turned once again, fuelled by a combination of factors including Reaganism and Thatcherism. Lawrence Harrison's 1985 book, *Underdevelopment is a State of Mind*, was an opening ideological ambit in the resurgence of the concept of culture. Since then there have been a number of collective manifestoes proclaiming the rehabilitation of "culture" in the analysis of economic and political development. Recently, Samuel Huntington (1998) strongly affirmed the importance of culture as the primary variable for both development, and the conflict generated by that development. He asserts that the world is divided into eight major "cultural zones" based on cultural differences that have persisted for centuries. These zones were shaped by religious traditions that are still powerful today, despite the forces of modernisation. The zones are Western Christianity, the Orthodox world, the Islamic world, and the Confucian, Japanese, Hindu, African, and Latin American zones. What we have here is a marker for a significant shift in scholarly opinion. Both Harrison and Huntington have most recently collaborated to edit a book (Harrison and Huntington, 2000) in which the debate is broadened with 22 papers, with mainly pro-culture causality and a few con positions represented.

The leading article in Harrison and Huntington (2000) is probably the most significant in setting the tone of the debate. David Landes begins with the pithy and concise sentence "Max Weber was right." Weber (1958), trained in law and economics, was one of the earliest social scientists who asked prescient questions about the relationship between economy and culture. He argued that European capitalism was predicated upon a unique and fortuitous combination of a particular institutional matrix and certain cultural values (or "spirit"). In subsequent works on India, China, and the ancient Hebrews Weber presented contrasting cases of situations in which either the institutional or cultural environment was not conducive to the development of rational capitalism. There has been a return to the scholarship of Weber by a number of social scientists that commonly refer to themselves as "neo-Weberians" (Mann, 1986; Holton and Turner, 1989; Swedberg, 1998). What Landes didn't mention is that while all neo-Weberians stress the importance of culture, they do not consider culture as either a separate, or isolated, "box" apart from social, political, and economic life (Bilig,

2000: 771). Not at all intellectually timid, Landes also maintains that Francis Fukuyama (1992) is correct about the end of history, and that Samuel Huntington (1998) is correct about the coming of a clash of civilisations between the west and the rest. For Landes the key to the success of the West has been its exceptional values and institutions, which were and still are lacking in the rest of the world. Thus, Landes refers to China as a culturally and intellectually homeostatic society that had indifference to technology, lacked institutions for learning, abhorred mercantile success, showed deliberate introversion, isolationism, risk aversion, irrationality, xenophobia, arrogance, haughtiness, stunned submissiveness, self-defeating escapism, and so on.

Michael Porter (2000) turns the Landes argument around taking a global perspective. Rather than arguing that particular culture traits are a pre-requisite for economic development, he argues that it is the "international economic culture" that is pushing every society toward productivity and values that are conducive to a global homogenous culture. Jeffrey Sachs, noted for his crash through or crash advice to transitional economies (Blanchard, et al., 1994; Sachs, 1990) in his chapter for Harrison and Huntington, generalises the culture thesis, proposing that "capitalist institutions", such as respect for property rights, a rule of law, and efficient markets, are the key factors in economic development. This is similar to an earlier argument put forward by Cox (1993) that tied globalisation to world capitalism, as a materialist product of its dictates and compulsions; and not excessively different from Friedman's proposition (1999) that culturally speaking, globalisation is largely Americanisation – from Big Macs to iMacs to Mickey Mouse.

Hardly coincidentally, since democracy and capitalism are often discussed together, a large group, Francis Fukuyama (1996) and Seymour Martin Lipset (1981) most notably, also view culture as a determining factor for the achievement of democracy (culture being more or less synonymous with the concept of "social capital"). Finally, the on-going debate (Krugman, 1997; Ling and Shih, 1998; Pye 1991) over the role of culture in the economic ascendancy of eastern Asia was sharpened. This debate has raged now for over two decades, both on the scholarly level (the issue of so-called post-Confucian values as a factor making for economic success) and on the level of political rhetoric (Asian values propagated with a pronounced anti-Western animus by the "Singapore school", Mahatir Mohamed of Malaysia, and other defenders of authoritarian regimes in the region).

One of the few dissenters in the Harrison and Huntington book was Richard Shweder, an anthropologist. He described himself as the token designated skeptic and issued a detailed disagreement from the view that cultures should be looked at in terms of their contribution or non-contribution to "progress." Elsewhere, Andre Gunda Frank (1998) has accused Landes, and others, of a blatant Eurocentric historiography and social theory that concentrates inquiry through European and American rose-coloured spectacles, blacking out the evidence from the rest of the world and distorting that of the West itself. Frank sees this type of scholarship as racist ideology, masquerading as analysis. It was not Europe but Asia, and particularly Middle Kingdom China, which remained predominant in the world until at 1800. The subsequent Decline of the East and the shift of the centre of gravity to the West were more globally than locally determined temporary processes that have run their historical course and are already coming full circle with the contemporary renewed rise of East Asia and particularly of China.

A fascinating, non-Eurocentric, historical analysis has been written by Andre Wink (1990), in which he examines the complex and intimate involvement between the Islamic Middle East and India for a millennium, up to the 18th century. Profound cultural changes in both the Middle East and India were largely a function of the trade and commerce opened up by Mughal conquest (Wink, 1990: 360). The conquest and Islamisation of the northwestern part of the Indian sub-continent, far from being minor and peripheral as most textbooks of Indian history treat it, was, according to Wink, an important crucial step leading to the integration of India into an intensifying world trading pattern. Economic development, important for both was the dynamic force that brought about historical change in this part of the world.

Elliott and Harvey (2000) argue in a case study on Jamaica that: "...development problems will never be solved by policies that ignore the fundamental underlying problem: the vast inequities in power arising from...political, social, and economic history." The implied causation between economic progress and cultural values that promote pro-market, pro-private property-based institutions is due in large part to a neoclassical economic perception of Western European development (see for instance Scully 1988). Not only is such an interpretation of the industrial and commercial revolutions open to debate, but also, the circumstances of poor nations are hardly akin

to those of eighteenth and nineteenth century Europe. Slavery, absentee ownership, and colonial status, along with the specific geography of the island of Jamaica, combined to create the plantation economy, not value-weakness (Elliott and Harvey, 2000: 398). Not surprisingly, this historical pattern created vast inequities in terms of the ownership of the island's productive assets and income and a legacy of racism. The agricultural land base was monopolised and a new low-wage urban worker was created (Bakan, 1990). Once wide disparities are created the basic structure of society tend to reinforce differences, but elites will also take conscious steps to preserve their status. Because they dominate the government, the economy will work to serve the needs of the rich, rather than the masses. And when economic activity is not directly concerned with maintaining class position, the existence of inequality leads both elites and the impoverished to seek status via conspicuous consumption. "The most significant current problem is the monopoly of power held by Jamaican elites. They control economic activity, and they have no immediate incentive to do any more than work to maintain the status quo. The roots of this inequity go back 300 years" (Elliott and Harvey, 2000: 399).

In this sense the classical Marxist perspective on capitalism continues to provide an explanation that remains quite convincing, despite its own Eurocentric limitations. That is that capitalists expand their accumulative activities and overcome thereby all geographic, cultural and political barriers that obstruct their path.

Hand in hand with this centralization, or this expropriation of many capitalists by few, there develops, over an ever-extending scale, the cooperative form of the labor process, the conscious technical application of science, the methodical cultivation of the soil, the economizing of all means of production, the entanglement of all peoples in the net of the world-market, and with this, the international character of the capitalist regime (Marx, 1987: 714-715).

Empirical Evidence Leads to Complexity

There exists strong empirical evidence that economic development is associated with shifts away from absolute norms and values toward values that are increasingly rational, tolerant, trusting, and participatory (Inglehart and Baker, 2000). The shift from pre-industrial to industrial society wrought profound changes in people's daily experiences and prevailing worldviews (Bell, 1973; 1976; Inglehart, 1988; Inglehart, 1997). Pre-industrial life, Bell (1976: 147) argues, was a "game against nature" in which "one's sense of the world is conditioned by the vicissitudes of the elements, the seasons, the storms, the fertility of the soil, the amount of water, the depth of the mine seams, the droughts and the floods". Industrialisation brought less dependence on nature, which had been seen as inscrutable, capricious, uncontrollable forces or anthropomorphic spirits. Life now became a "game against fabricated nature", a technical, mechanical, rationalised, bureaucratic world directed toward the external problem of creating and dominating the environment. As human control of the environment increased, the role ascribed to religion and God dwindled (Bell, 1973: 148-149). The emergence of post-industrial society seems to be stimulating further evolution of prevailing worldviews, but it is moving in a different direction. Life in post-industrial societies centres on services, and hence life becomes a "game between persons" in which people "live more and more outside nature, and less and less with machinery and things; they live with, and encounter only, one another". More effort is focused on communicating and processing information. Thus, the rise of post-industrial society leads to a growing emphasis on self-expression (Inglehart, 1997: 22). Furthermore, the historically unprecedented wealth of advanced industrial societies, coupled with the rise of the welfare state, mean that an increasing share of the population grows up taking survival for granted. Their value priorities shift from an overwhelming emphasis on economic and physical security toward an increasing emphasis on subjective wellbeing and quality-of-life (Inglehart, 1997: 23).

Inglehart and Baker (2000: 24) identify a mainstream cultural version of pre-industrial societies. All of the pre-industrial societies for which they have data show relatively low levels of tolerance for abortion, divorce, and homosexuality; most of them place strong emphasis on religion; a tendency to emphasise male dominance in economic and political life; deference to parental authority, and the importance of family life; and a politics that is relatively authoritarian. Advanced industrial societies tend to have the opposite characteristics. A survival/self-expression dichotomy is also expressed with trust, tolerance, subjective wellbeing, political activism, and self-expression emerging in post-industrial societies with high levels of security. At the opposite extreme, people in societies shaped by insecurity and low levels of wellbeing, tend to emphasize economic and physical security above all other goals, feel threatened by foreigners and

ethnic diversity, and are risk averse towards change. This leads to an intolerance of gays and other out-groups, an insistence on traditional gender roles, and an authoritarian political outlook (Inglehart and Baker, 2000: 26). The more uncertain survival, either politically or economically, the more is cultural diversity threatening. In their opinion, economic development impacts powerfully on cultural values. Interestingly, rising levels of existential security are the key factor underlying intergenerational value change. Intergenerational value differences are greatest in the societies with the highest life expectancies. Across 61 societies, the correlation between 1995 life expectancy and the size of the intergenerational difference in traditional/secular-rational values is significant (Inglehart and Baker, 2000: 37).

But this evidence must not be essentialised as a one-way process because the broad cultural heritage of a society, be it Protestant, Roman Catholic, Confucian, Hindu, Rastafarian, Islamic or Communist, leaves an imprint on values that endures despite modernisation, globalisation and economic development. Different societies follow different trajectories even when they are subjected to the same forces of economic development, in part because one or more of the multitude of situation-specific factors, such as culture, geography, technology, weather, etc. also shape how a particular society develops. The issue is one of probabilities, not determinisms. Economic development tends to transform a given society in a predictable direction, but the process and path are not inevitable. The United States is a particularly idiosyncratic case, having a much more traditional value system than any other advanced industrial society. On a secular/rational scale the United States ranks far below other rich societies, with levels of religiosity and national pride comparable to those found in developing, relatively poor, societies. This should alleviate some of the concern expressed by those fearful of global "Americanisation" "even "McDonaldisation" of the world, mentioned in the introduction. Industrialising societies in general are not becoming more like the United States. In fact, as many observers of American life have long argued, the United States seems to be a deviant case (Lipset, 1990; 1996). Its people hold much more traditional values and beliefs than do those in any other equally prosperous societies. If any nations in the world exemplify the cutting edge of cultural change, it would most likely be one or more of the Nordic countries. Here Richard Rorty argues (Rorty, 1996: 29) that the increasing strength of fundamentalism, and the potential for fascism in the United States, (as compared with the Nordic countries, for instance) is "because Americans are suffering the consequences of the globalization of the labor market, without having established a welfare state."

Relative Autonomy

Osborne (2001) is exemplary as one of those who takes a different tack against the prevailing winds by showing, in the case of India, that "caste" as a cultural proposition, has remained a useful ideological and political construct neither significantly affecting, nor being significantly affected by economic development. As one might expect, economic analysis, within the discipline of economics, of the caste system is scarce. Akerlof (1976) and Scoville (1996) are two examples worth reading that have spent time examining the economics of caste and its labour market underpinnings. But with respect to the cultural role of caste and its positive or negative correlation to economic development Osborne is breaking new ground.

Osborne (2001: 668) shows that the caste system facilitates the formation of pressure groups on a government that has many rents to dispense and many factionalised citizens eager to seek them. The logic of the power of pre-existing factions in India is quite simple. Once an aggressively interventionist government exists, the choice facing citizens is whether to obtain rents via caste or some other means. Given that caste-membership requires little in the way of organising costs and is easy to verify, so that it is difficult for members of one group to "pass" as members of another, the continuance of these identities becomes a powerful cultural force in Indian society. What is also evident is that the traditional social cleavages of caste and ethnicity are far more important than economic interests, or class specificity and organization (Kaviraj, 1997; Mencher, 1992; Thakur, 1995). An issue that has confounded "modernisation" theorists, that is the incompatibility of caste structures with urbanisation and development, is clearly explained by Osborne. The political economy of caste, culture, and the material enhancement of economic development are relatively autonomous. As long as the government remains open to rent-seeking as liberalisation proceeds, it remains rational and efficient for citizens to adopt more reliable forms of factional organization.

Another school of thought pushes the position of Osborne one step further, arguing that a large number of traditional values and components of culture are impervious to economic and political change (DiMaggio, 1994). The independence of culture from

economic change is reflected in the love affair with weaponry in the United States that would give the Taliban a run for its money, as well as summer breaks from formal education, incest taboos, patriarchy, etc. Osborne and DiMaggio leave Porter's attempt to demonstrate a 'consuming' international global culture somewhat at odds with the evident differences in cultural traits at both the macro- and micro-level of human interaction.

It may also be possible that the globalisation discourse itself may well be flawed and based upon a mixture of poor social science, hyperbole, exaggeration and corporate desire. Possibly, this is most likely why it works. That is, it works because it has a highly receptive audience within the offices and boardrooms of the international business community and is, in this sense, a self-affirming and self-propagating proposition. It articulates a belief within management circles that something is changing in the global economy and needs to be responded to by rethinking the way in which business is organised. Thus it too becomes both an explanation and a programme of action which all must follow in the competitive drama (Leyshon, 1997).

Conclusion

The main problem with the debate over the causal relationship between culture and economic development is the pathetic inadequacy of human psychology, or analytical laziness, when confronting complexity. The tendency to seek easy, single-factor explanations of success or failure is to avoid the difficult mental labour of identifying and analysing the intricate historical and structural interconnections amongst a labyrinth of variables.

The peoples of northern Europe contributed nothing of fundamental importance to Eurasian civilisation before the last 1,000 years. Since then, they may simply have had the good luck to live at a geographic crossroad where they were likely to receive advances (agriculture, wheels, writing, and metallurgy) developed in warmer parts of Eurasia.

Those who view culture as the major factor in the production of material wealth often choose to ignore historical trends, or have never been sufficiently educated given the emphasis on disciplinary specialisation. For instance, the first major interaction between Eurasian and the peoples of America involved the Inca emperor Atahualpa and the Spanish conquistador Francisco Pizarro in 1532. Pizarro, with only 62 soldiers mounted on horses and 102 foot soldiers, slaughtered Atahualpa's forces of 80,000. This was not due to the fact that the Incas were culturally inept, but because they lacked horses and guns. Historically, those American tribes that were able to resist European conquest, for any length of time, were those able to steal and master a sufficient number of horses and guns. By 1700, guns had become the main tool in conquest and slavery, and the conquest of Atahualpa illustrates the set of proximate factors that resulted in colonisation and wealth accumulation by Europeans. We should be reminded that firearms had reached Japan in 1543 and the Japanese had very sophisticated gun technology by 1600. However, given their vision of war as an art, guns were despised as a barbarian's tool and severely restricted for use by the governmental authorities (Diamond, 1998: 74-76, 80, 257-258).



Horatio Kitchener, on behalf of the British Empire, closing the 19th century and opening the dawn of the 20th century, (immortalised in a poster extolling the virtues of country, army, god and the king) notably lived up to the reputation of a barbarian by first slaughtering the dervishes of Sudan and then proceeding to kill, and "mop-up", the Boer rebels of South Africa who engaged his well-armed troops in their sadly inadequate, somewhat medieval battle formation. And today, need one comment on

the present-day bombing of civilians in a poor Middle Eastern nation by a technologically advanced nation whose collective morality is encased in military computer systems. Diamond also reminds us that violent enslavement of indigenous peoples, by European colonisers, was not the whole story by any means. In fact, the prime reason for the decimation of non-European peoples was the nasty germs brought to them by Europeans. Ninety-five percent of the 20 million North American Indians were lost not only to the excessively violent, but to the disease-carrying ancestors of Christopher Columbus and the "Pilgrims" (Diamond, 1998: 211).

This is not to negate the influence of particular elements of culture on the development process but monolithic interpretations of culture like those of Landes or Huntington are to be rejected. Culture presents many facets. There is no single culture that emerged from earlier traditions or from the hegemonic power of the West. Broad generalisations are counterproductive, bordering on racism; the Southeast Chinese are not homogenous, and neither are the Malays, much less the Americans, Australians or British. Though it affects economic development, culture itself is never a constant but evolves jointly with economic opportunities. Huntington's (1998) pessimistic view of a global future of cultural clashes may do more to inflate military budgets than to generate intellectual enrichment.

Economic Development, culture, modernisation and globalisation are better interpreted as the complex processes resulting from the interaction of many different variables, than as a distinctive causal processes in their own right. It is not intellectually helpful to explain specific events and phenomena in terms of the macro processes or structures, and pointless to subsume anything or everything under the umbrella of any single causal agent or process (Jessop, 2000: 19).

A lesson to be remembered when confronted by the elicitations of cultural supremacy is the lesson learned the hard way by the peoples of the Fertile Crescent, China, Islam and the British Empire. Circumstances change, and past primacy has never been a guarantee of future dominance. There are many possible solutions of how to make sense of the world. They compete one with another, and we feel compelled to join this or that stance or look for our own. While that choice is always ours, the complexity of the things around and beyond us challenge the validity of those options.

References

- Akerlof, George (1976). The Economics of Caste and of the Rat Race and Other Woeful Tales. *Quarterly Journal of Economics* 90: 599-617.
- Appadurai, Arjun (1996). *Modernity at Large: Cultural Dimensions of Globalization*. Minneapolis: University of Minnesota Press.
- Bakan, Abigail B. (1990). *Ideology and Class Conflict in Jamaica: The Politics of Rebellion*. McGill: Queens University Press.
- Bell, Daniel (1976). *The Cultural Contradictions of Capitalism*. New York: Basic Books.
- Bell, Daniel (1973). *The Coming of Post-Industrial Society*. New York: Basic Books.
- Billig, Michael S. (2000). Institutions and culture: Neo-Weberian economic anthropology. *Journal of Economic Issues*, 34(4), December: 771-788.
- Blanchard, Oliver J., Froot, Kenneth A., Sachs, Jeffrey, and Blanchard, Jean O. (1994). *The Transition in Eastern Europe: Restructuring*. Chicago: University of Chicago Press.
- Brooke, James (2001). Accelerating Decline in Japan Evokes 'Rust Belt' Comparisons. *New York Times*, 31 August <<http://www.nytimes.com/2001/08/31/business/31YEN.html>> Accessed: 31-8-01.
- Brinkley, Alan (1995). *American History, A Survey*. 9th ed. New York: McGraw-Hill.
- Chase-Dunn, Christopher (1989). *Global Formations: Structures of the World-Economy*. Cambridge: B. Blackwell.
- Chirot, Daniel (1994). *How Societies Change*. Thousand Oaks, CA: Pine Forge.
- Chirot, Daniel (1977). *Social Change in the Twentieth Century*. New York: Harcourt Brace Jovanovich.
- Cox, Robert (1993). Structural Issues of Global Governance: Implications for Europe, in Gill, Stephen (ed.) *Gramsci's Historical Materialism and International Relations*. Cambridge: Cambridge University Press: 259-289.

- Diamond, Jared (1998). *Guns, Germs and Steel: A Short History of Everybody for the last 13,000 Years*. London: Vintage.
- DiMaggio, Paul (1994). Culture and Economy, in Smelser, N. J. and Swedberg, R. (eds.) *The Handbook of Economic Sociology*. Princeton, NJ: Princeton University Press: 27-57.
- Eagleton, Terry (2000). *The Idea of Culture*. Oxford: Blackwell.
- Elliott, Dawn R. and Harvey, John T. (2000). Jamaica: An Institutional perspective. *Journal of Economic Issues*, June: 393-401.
- Frank, Andre Gundar (1998). *Reorient : Global Economy in the Asian Age*. Los Angeles, CA: University of California Press.
- Frank, Andre Gundar (1966). The development of underdevelopment. *Monthly Review*, 18: 17-31.
- Friedman, Thomas (1999). *The Lexus and the Olive Tree: Understanding Globalization*. New York: Farrar-Straus-Giroux: 8.
- Fukuyama, Francis (1996). *Trust: The Social Virtues and the Creation of Prosperity*. Toronto: Free Press.
- Fukuyama, Francis (1992). *The End of History and the Last Man*. New York: Free Press.
- Harrison, Lawrence E. (1985). *Underdevelopment is a State of Mind*. Madison, WI: Madison Books.
- Harrison, Lawrence E. and Huntington, Samuel P. (eds.) (2000). *Culture Matters: How Values Shape Human Progress*. New York: Basic Books.
- Holton, Robert J., and Turner, Bryan S. (1989). *Max Weber on Economy and Society*. London: Routledge.
- Huntington, Samuel P. (1998). *The Clash of Civilizations and the Remaking of World Order*. Carmichael, CA: Touchstone Books.
- Inglehart, Ronald (1997). *Modernization and Postmodernization: Cultural, Economic, and Political Change in 43 Societies*. Princeton, NJ: Princeton University Press.
- Inglehart, Ronald (1988). Cultural Change in Advanced Industrial Societies: Postmaterialist Values and their Consequences. *International Review of Sociology* 3: 77-100.
- Inglehart, Ronald and Baker, Wayne (2000). Modernization, cultural change, and the persistence of traditional values. *American Sociological Review*, 65(1), February: 19-21.
- Jameson, Fredric and Miyoshi, Masao (eds.) (2000). *The Culture of Globalization*. Durham, N.C.: Duke University Press.
- Jessop, Bob (2000). Reflections on globalisation and its (il)logic(s), in Olds, Kris, Dicken, Peter, Kelly, Philip F., Kong, Lily and Yeung, H.W. (eds.) *Globalisation and the Asia-Pacific*. London: Routledge: 19-38.
- Katz, Friedrich Katz (1998). *The Life and Times of Pancho Villa*. Stanford, CA: Stanford University Press.
- Kaviraj, Sudipta (1997). Sociology of Political Parties, in Kaviraj, S. (ed.) *Politics in India*. Delhi: Oxford University Press.
- Kipling, Rudyard (1899). The White Man's Burden. *McClure's Magazine*, 12, <<http://www.boondocksnet.com/kipling/kipling.html>>, in Zwick, Jim (ed.) *Anti-Imperialism in the United States, 1898-1935* <<http://www.boondocksnet.com/ail98-35.html>> Accessed: 7-9-01.
- Krugman, Paul (1997). What ever happened to the Asian Miracle. *Fortune*, 18 August <<http://web.mit.edu/krugman/www/#other>> Accessed: 23-8-01.
- Latham, Michael E. (2000). *Modernization as Ideology: American Social Science and Nation Building in the Kennedy Era*. Chapel Hill: University of North Carolina Press.
- Lerner, Daniel (1958). *The Passing of Traditional Society: Modernizing the Middle East*. New York: Free Press.

- Leyshon, A. (1997). True stories? Global dreams, global nightmares, and writing globalisation, in Lee, R. and Wills, J. (eds.) *Geographies of Economies*. London: Arnold.
- Ling, L.H.M. and Shih, Chih-yu (1998). Confucianism with a liberal face: The meaning of democratic politics in postcolonial Taiwan. *The Review of Politics*, 60(1): 55-82.
- Lipset, Seymour (1996). *American Exceptionalism*. New York: Norton.
- Lipset, Seymour (1981). *Political Man: The Social Basis of Politics*. Baltimore: Johns Hopkins University Press.
- Lipset, Seymour Martin (1990). American Exceptionalism Reaffirmed. *Toqueville Review*, 10: 23-45.
- Mann, Michael (1986). *The Sources of Social Power*. Volume 1, Cambridge: Cambridge University Press.
- Marx, Karl 1867 (1987). *Capital: A Critique of Political Economy*. Volume I, New York: International Publishers: 714-715.
- McCloud, Donald G. (1995). *Southeast Asia: Tradition and Modernity in the Contemporary World*. Boulder, CO: Westview Press.
- Mencher, Joan (1992). The Caste System Upside Down, in Gupta, D. (ed.) *Social Stratification*. Delhi: Oxford University Press: 101.
- Mittelman, James H. (1997). *Globalization: Critical Reflections*. London: Lynne Rienner Publishers.
- Modern History Sourcebook (2001). *Albert Beveridge: The March of the Flag*. <<http://www.fordham.edu/halsall/mod/1989beveridge.html>> Accessed: 10-9-01.
- Osborne, Evan (2001). Culture, development, and government: Reservations in India. *Development and Cultural Change*, 49(3): 659-685.
- Porter, Michael, Sachs, Jeffrey, Warner, Andrew and Schwab, Klein (eds.) (2000). *The Global Competitiveness Report 2000*. Oxford: Oxford University Press.
- Pye, L.W. (1991). The State and the Individual: An Overview Interpretation. *China Quarterly* 127: 443-66.
- Pynchon, Thomas (1972). *The Crying of Lot 49*. New York: Bantam.
- Rorty, Richard (1996). Emancipating Our Culture, in Niznik, Józef and Sanders, John T. (eds.) *Debating the State of Philosophy: Habermas, Rorty and Kolakowski*. Westport, CT: Praeger Publishers.
- Rostow, Walt Whitman (1960). *The Stages of Economic Growth: A non-communist manifesto*. Cambridge: Cambridge University Press.
- Ryser, Rudolph C. (1992). *A Publication of the Center for World Indigenous Studies*. <<http://odur.let.rug.nl/~usa/E/manifest/manif2.htm#sen>> Accessed: 6-9-01.
- Sachs, Jeffrey (1991). Spontaneous Privatization: A Comment. *Soviet Economy*, 7(4), October-December.
- Sachs, Jeffrey and Lipton, David (1990). Creating a Market Economy in Eastern Europe: The Case of Poland. *Brooking Papers on Economic Activity* 1, April.
- Sahlins, Marshall (1974). *Stone Age Economics*. London: Tavistock Publications.
- Schor, Juliet (1991). *The Overworked American: The Unexpected Decline of Leisure*. New York: Basic Books.
- Scoville, James (1996). Labor Market Underpinnings of a Caste Economy: Foiling the Coase Theorem. *American Journal of Economics and Sociology* 55: 385-94.
- Scully, Gerald (1988). Institutional Framework and Economic Development. *Journal of Political Economy* 96(3): 622-662.
- Swedberg, Richard (1998). *Max Weber and the Idea of Economic Sociology*. Princeton: Princeton University Press.
- Thakur, Ramesh (1995). *The Government and Politics in India*. New York: St. Martin's.
- University of Groningen, Department of Humanities Computing (2001). From Revolution to Reconstruction: A Hypertext on American History from the Colonial

Period until Modern Times. <<http://odur.let.rug.nl/~usa/E/manifest/manifxx.htm>>.

Wallerstein, Immanuel (1976). Modernization: Requiescat in Pace, in Coser, L. A. and Larsen, O. N. (eds.) *The Uses of Controversy in Sociology*. New York: Free Press: 131-35.

Wallerstein, Immanuel (1974). *The Modern World System*. Vol. 1. New York: Academic Press.

Weber, Max 1958 (1904). *The Protestant Ethic and the Spirit of Capitalism*. Translated by T. Parsons. Reprint, New York: Charles Scribner's Sons.

Weiner, Myron, (ed.) (1966). *Modernization: The Dynamics of Growth*. New York: Basic Books.

Wink, Andre (1990). *Al-Hind, The Making of the Indo-Islamic World: Early Medieval India and the Expansion on Islam, 7th-11th Centuries*. Volume I, Leiden: E.J. Brill.

Theory & Science