

Cultural Capital Defined

By LAWRENCE E. HARRISON

Cultural Capital is a set of values, beliefs, and attitudes that drive societies toward the goals of the UN Universal Declaration of Human Rights:

- Democratic governance, including rule of law;
- Social justice, including education, health care, and opportunity for all; and,
- Elimination of poverty

These values, beliefs, and attitudes have been disaggregated in the following Typology of Progress-Prone and Progress-Resistant Cultures. As we review the typology, it will become apparent how Cultural Capital powerfully influences Human Capital and Social Capital.

I have found helpful a diagram in Geert Hofstede's book *Cultures and Organizations* that presents the three fundamental forces that motivate human behavior as three slices of a triangle: the base is human nature; the apex is individual personality; and in between lies culture.¹

PIERRE BOURDIEU AND CULTURAL CAPITAL

The distinguished French social scientist/philosopher Pierre Bourdieu is often identified as the person who originated the concept of "cultural capital" in his 1973 book, with Jean-Claude Passeron, *Cultural Reproduction and Social Reproduction*. However, his focus is on the individual rather than the society as a whole: "Cultural capital [consists of] forms of knowl-

edge, skills, education, and advantages that a person has, which gives [him or her] a higher status in society. Parents provide their children with cultural capital by transmitting the attitudes and knowledge needed to succeed in the current educational system."²

In his 1986 book, *Forms of Capital*, he identifies three subtypes of cultural capital: embodied, objectified, and institutionalized:

- "Embodied cultural capital consists of both the consciously acquired and the passively 'inherited' properties of one's self (with 'inheritance' not in the genetic sense but in the sense of receipt over time, usually from the family through socialization, cultural exposures, and traditions)."³ Linguistic capital—mastery of language—is a form of embodied cultural capital.
- "Objectified cultural capital consists of physical objects that are owned, such as scientific instruments or works of art. These cultural goods can be transmitted both for economic profit...and for the purpose of 'symbolically' conveying the cultural capital whose acquisition they facilitate."⁴
- "Institutionalized cultural capital consists of institutional recognition, most often in the form of academic credentials or qualifications, of the cultural capital held by an individual."⁵

While these are all valuable insights, Bourdieu did not establish structures that would facilitate comparative assessment of different cultures, at least as far as I've been able to tell. Fortunately, however, someone else has.

DISAGGREGATING 'CULTURE'

In 1999, the Argentine scholar and journalist Mariano Grondona published a book titled *Las Condiciones Culturales del Desarrollo Económico (The Cultural Conditions of Economic Development)*.⁶ Grondona is a columnist for *La Nación*, a leading Buenos Aires newspaper; a professor of government at the National University of Buenos Aires; and the host of a popular weekly public affairs television show. He has also taught at Harvard.

Lawrence E. Harrison was Senior Research Fellow and Adjunct Lecturer (2002-2013) at the Fletcher School at Tufts University, where he also directed the Cultural Change Institute. He is the author of *Underdevelopment Is a State of Mind; Who Prospers?; The Pan-American Dream; The Central Liberal Truth; and Jews, Confucians, and Protestants: Cultural Capital and the End of Multiculturalism*, in which this article appears as Chapter 1. Harrison was co-editor, with Samuel Huntington, of *Culture Matters: How Values Shape Human Progress. Between 1965 and 1981*, he directed USAID missions in the Dominican Republic, Costa Rica, Guatemala, Haiti, and Nicaragua. His articles have appeared in the *New York Times*, *Washington Post*, *Wall Street Journal*, *Boston Globe*, *Atlantic Monthly*, *Foreign Policy*, and *The National Interest*.

Over several years of thought and observation, Grondona evolved a theory of development that is captured in a typology of cultural characteristics (see table on next page) that contrasts cultures that are favorable to economic development (high cultural capital) with those that resist it (low cultural capital). In his words, drawn from a chapter in *Culture Matters* that derives from his book:

Values can be grouped in a consistent pattern that we may call a ‘value system.’ Real value systems are mixed; pure value systems exist only in the mind, as ideal types. It is possible to construct two ideal value systems: one including only values that favor economic development and the other including only values that resist it. A nation is modern as far as it approaches the former system; it is deemed traditional as far as it approaches the latter. Neither of these value systems exists in reality, and no nation falls completely within either of those two value systems. However, some countries approach the extreme favorable to economic development, whereas others approach the opposite extreme.

Real value systems are moving as well as mixed. If they are moving toward the favorable value-system pole, they improve a nation’s chances of developing. If they move in the opposite direction, they diminish a nation’s chances of developing.⁷

Four of Grondona’s colleagues contributed to the expansion of the typology to embrace political and social, as well as economic, development: Irakli Chkonia, Ronald Inglehart, Matteo Marini, and I.

I want to reemphasize Grondona’s characterization of the typology as “idealized.” It is also highly generalized. There is no monolithic culture; all cultures have crosscurrents to their mainstreams, and that is as true of the Argentine/Latin American culture that served as the model for the progress-resistant column of the typology as it is for American culture, the model for the progress-prone culture. This is an extremely important point. As Boston University anthropologist Robert Hefner reminds us, “...this theme [of variety within cultures] allows us to recognize that even in relatively progress-unfriendly cultures, there are alternative streams at work, some of which may contain bits and pieces of progressive values.”⁸

Ronald Inglehart, President of the World Values Survey, has tested the 25 elements of the typology with data from the World Values Surveys; we shall make reference to his findings as we review the typology. In general, “these empirical findings tend to support the Progress Typology—sometimes very strongly.”⁹ Of the 25 factors,

11 receive “strong confirmation” from the World Values Survey data; three receive “moderately strong confirmation;” there is “no significant support” for two; and no data are available for the others. As Inglehart stresses, “...the World Values Survey was not designed to test the Progress Typology. But it was designed to provide a comprehensive exploration of all important realms of human values, and consequently it does tap most...of the domains included in the Progress Typology.”¹⁰

WORLDVIEW

1. Religion: Religion can be a—in some cases *the*—major force for progress to the extent that it nurtures rationality and objectivity; that it encourages accumulation of wealth; and that it promotes ethical behavior. The foregoing statement captures the essence of the Protestant ethic to which Max Weber attributed the rise of capitalism. It reverberates in many of the subsequent typology factors, for example, destiny, ethical code, education, work, frugality, entrepreneurship, innovation.

Religion—in the case of the Confucian countries, an ethical code—is a principal source of values, and the values may persist long after religious practice has gone into decline, witness the case of the Lutheran Nordic countries. Those values can be either nurturing of or resistant to democracy, economic development, and social justice. In *Democracy in America*, Alexis de Tocqueville notes, “[the British settlers] brought with them into the New World a form of Christianity which I cannot better describe than by styling it a democratic and republican religion. This contributed powerfully to the establishment of a republic and a democracy in public affairs; and from the beginning, politics and religion contracted an alliance which has never been dissolved.”¹¹

If a religion nurtures irrationality, inhibits material pursuits, and focuses on the other world, its adherents are likely to be indisposed to economic development. But they are also likely to be susceptible to a passivity, a resignation in which authoritarianism and injustice thrive.

With the great early centuries of Islam in mind, Bassam Tibi says, “In reading the Qur’an and studying its precepts...I...find in Islam a deep commitment to rationalism and achievement as well as to the pursuit of worldly affairs...but I miss this spirit among contemporary Muslims.”¹²

As Haiti is prototypical of a progress-resistant society, Voodoo is prototypical of those religions that nurture irrationality.

Inglehart makes an interesting observation in linking the typology to his World Values Survey data: “Strong emphasis on religion is negatively correlated with progress [America’s exceptionalism in this respect notwithstanding]. Societies in which religion is linked with rationality, material pursuits, and a focus on this

TYPOLGY OF HIGH CULTURAL CAPITAL AND LOW CULTURAL CAPITAL SOCIETIES

FACTOR	HIGH CULTURAL CAPITAL	LOW CULTURAL CAPITAL
WORLDVIEW		
1. Religion	Nurtures rationality, achievement; promotes material pursuits; focus on this world; pragmatism	Nurtures irrationality; inhibits material pursuits; focus on the other world; utopianism
2. Destiny	I can influence my destiny for the better.	Fatalism, resignation, sorcery
3. Time orientation	Future focus promotes planning, punctuality, deferred gratification	Present or past focus discourages planning, punctuality, saving
4. Wealth	Product of human creativity, expandable (positive sum)	What exists (zero-sum)
5. Knowledge	Practical, verifiable; facts matter	Abstract, theoretical, cosmological, not verifiable; debate matters
VALUES, VIRTUES		
6. Ethical code	Rigorous within realistic norms; feeds trust	Elastic, wide gap twixt utopian norms and behavior=mistrust
7. The lesser virtues	A job well done, tidiness, courtesy, punctuality matter	Lesser virtues unimportant; love, justice, courage matter
8. Education	Indispensable; promotes autonomy, heterodoxy, dissent, creativity	Less priority; promotes depend- endency, orthodoxy
ECONOMIC BEHAVIOR		
9. Work/achievement	Live to work: work leads to wealth	Work to live: work doesn't lead to wealth; work is for the poor
10. Frugality	The mother of investment	A threat to equality and prosperity
11. Entrepreneurship	Investment and creativity	Rent seeking
12. Risk propensity	Moderate	Low; occasional adventures
13. Competition	Leads to excellence	Aggression; threat to equality & privilege
14. Innovation	Open; rapid adaptation	Suspicious; slow adaptation
15. Advancement	Merit, achievement	Family, patron, connections
SOCIAL BEHAVIOR		
16. Rule of law/ corruption	Reasonably law abiding; corruption is prosecuted	Money, connections matter; corruption is tolerated
17. Radius of ID and trust	Stronger identification with the broader society	Stronger identification with the narrow community
18. Family	The idea of "family" extends to the broader society	The family is a fortress against the broader society
19. Association (social capital)	Trust, identification breed cooperation, affiliation, participation	Mistrust breeds excessive individualism, anomie
20. The individual/ the group	Emphasizes the individual but not excessively	Emphasizes the collectivity
21. Authority	Dispersed: checks and balances, consensus	Centralized: unfettered, often arbitrary
22. Role of elites	Responsibility to society	Power and rent seeking; exploitative
23. Church-state relations	Secularized; wall between church and state	Religion plays major role in civic sphere
24. Gender relationships	If not a reality, equality at least not inconsistent with value system; should also apply to gender preference	Women subordinated to men in most dimensions of life; gays/ lesbians are discriminated against
25. Fertility	The number of children should depend on the family's capacity to raise and educate them	Children are the gifts of God; they are an economic asset

Based on the original structure of Mariano Grondona with inputs from Irakli Chkonia, Lawrence Harrison, Ronald Inglehart, and Matteo Marini

world tend to attach much less importance to religion.”¹³ In these words we find a loud echo of words written by John Wesley more than two centuries ago:

I fear, wherever riches have increased, the essence of religion has decreased in the same proportion. Therefore I do not see how it is possible...for any revival of true religion to continue long. For religion must necessarily produce both industry and frugality, and these cannot but produce riches. But as riches increase, so will pride, anger, and love of the world in all its branches.¹⁴

2. Destiny: Tibi again finds language in the Qur’an that he interprets as supporting the progressive view of destiny: “Whatever good befalls you...it is from Allah; and whatever ill from yourself.”¹⁵ However, I find those words ambivalent: if good can only come from Allah, then the idea that humans are largely responsible for their destiny is undermined, even if the Qur’an assigns the avoidance of ill to humans. In any event, Tibi concludes, “...the fatalist worldview can be observed at work in reality, even though belied by...Islamic revelation.”¹⁶

3. Time orientation: “Punctuality is not a Latin American comparative advantage,” says *The Economist* in an article about a national punctuality campaign inaugurated by Ecuadoran president Lucio Gutiérrez, who appeared at the launching ceremony, “but at the last minute.”¹⁷ *Participación Ciudadana* (Citizen Participation), the civic organization that initiated the campaign, estimates that tardiness costs Ecuador upwards of \$700 million per year—more than four percent of GDP.

The punctuality campaign in Ecuador was the subject of a subsequent article in *The New Yorker* in which the author, James Surowiecki, writes, “...attitudes toward time tend to pervade nearly every aspect of a culture. In hyperpunctual countries like Japan, pedestrians walk fast, business transactions take place quickly and bank clocks are always accurate...In other words, Ecuadorans...are trying to revolutionize the way they live and work...”¹⁸

In this context, Tibi mentions an Egyptian definition of IBM: **Inshallah** (God willing); **Bukra** (tomorrow); **Ma’lish** (it doesn’t matter).

4. Wealth: The zero-sum worldview discourages initiative since anyone’s gain is someone else’s loss. In many traditional societies, a “crabs in a barrel” psychology is operative: people who “get ahead” are pulled back with a variety of sanctions, including redistribution of their wealth to the community. Human nature is affronted when another does better than oneself; this dark recess of human nature is probably also the source of *schadenfreude*, the satisfaction one derives from another’s problems, a satisfaction that is enhanced if the person in trouble is a celebrity (e.g., Martha Stewart). In

Protestant/Calvinist societies, where one’s state of grace is confirmed by prosperity, culture overrides human nature, and, as Weber stressed, accumulation of wealth is encouraged.

The zero-sum worldview is common to peasant societies around the world in the view of anthropologist George Foster, who perceives a Universal Peasant Culture dominated by the Image of Limited Good, which he defines as follows:

By “Image of Limited Good,” I mean that broad areas of peasant behavior are patterned in such fashion as to suggest that peasants view their social, economic, and natural universes—their total environment—as one in which all of the desired things in life such as land, wealth, health, friendship and love, manliness and honor, respect and status, power and influence, security and safety, *exist in finite quantity and are always in short supply*...Not only do these and all other “good things” exist in finite and limited quantities, but in addition *there is no way directly within peasant power to increase the available quantities.* (Emphasis is Foster’s.)¹⁹

5. Knowledge: It is evident that a society that doesn’t respect facts is at an enormous disadvantage not only in terms of productivity, competitiveness, and economic development but also in building democratic and just institutions. This is particularly true of facts—and their interpretation—that challenge self-esteem and identity, an observation that evokes Bernard Lewis’s words: “When people realize that things are going wrong, there are two questions they can ask: One is, ‘What did we do wrong?’ and the other is ‘Who did this to us?’ The latter leads to conspiracy theories and paranoia. The first question leads to another line of thinking: ‘How do we put it right?’”²⁰ David Landes notes, “In the second half of the twentieth century, Latin America chose conspiracy theories and paranoia. In the second half of the nineteenth century, Japan asked itself, ‘How do we put it right?’”²¹

In his handwritten notes on the draft typology, Michael Novak adds to “Practical, verifiable, facts matter” in the progress-prone column “an evolutionary cosmology in which progress and freedom should flower.”

VALUES/VIRTUES

6. Ethical code: The rigor of the ethical code profoundly influences several other factors including Rule of law/corruption, Radius of identification and trust, and Association. While these latter three factors fall under “Social Behavior,” the ethical code is also highly relevant to economic behavior as well. A rigorous ethical code engenders the behaviors that nurture trust, and

trust is central to economic efficiency, as Weber stresses when he speaks of Benjamin Franklin’s ethical exhortations.²² That the Nordic countries do so well on economic indices is almost surely related to the fact that they do comparably well on the World Values Survey data on trust:

	World Economic Forum’s Competitiveness Index: (2008-2009)	World Values Survey Rankings: Trust (2000)
Denmark	3 (among 134)	1 (among 81)
Sweden	4	2
Finland	6	6
Norway	15	4
Iceland	20	13
Uganda	128	80

Conversely, Uganda ranks at the bottom of both the competitiveness and trust indices. Uganda is a country, like Haiti, where traditional religions that embrace sorcery persist, often in tandem with Christian religions and, in Uganda, Islam.

Democracy appeared first and most enduringly in countries where the value of fair play, central to the Anglo-Protestant tradition, had taken root. This was a key element of the congeniality between American culture and democracy that de Tocqueville perceived. With respect to the much later consolidation of democracy by Catholic countries, I note Weber’s observation: “The God of Calvinism demanded of his believers not single good works, but a life of good works combined into a unified system. There was no place for the very human Catholic cycle of sin, repentance, atonement, release, followed by renewed sin.”²³

7. The lesser virtues: A job well done, tidiness, courtesy, and punctuality are lubricants of both the economic and politico-social systems. The lesser virtues can translate into hard economic data, as the estimate of Ecuador’s loss to tardiness of upwards of \$700 million demonstrates. Punctuality is practiced in all of the top ten countries on the World Economic Forum’s competitiveness rankings, eight of which are Protestant and two Confucian—Singapore and Japan.

8. Education: The value attached to education of both men and women is powerfully linked to modernization. That value is influenced by religion or ethical code: Judaism and Protestantism promoted education to facilitate reading of the bible by congregants; in Confucianism, learning occupies the highest rung on the prestige ladder, witness the mandarin scholars who were so powerful in imperial China. I note in passing that more than ninety percent of Japanese elementary school age boys and girls were in school in 1905, among the highest percentages in the world at the time.²⁴

It is in education that we perceive the powerful connection between human capital and cultural capital.

Nobelist economist Gary Becker defines human capital:

Schooling, a computer training course, expenditures on medical care, and lectures on *the virtues of punctuality and honesty* are also capital. That is because they raise earnings, improve health, or *add to a person’s good habits* over much of his lifetime. Therefore, economists regard expenditures on *education*, training, medical care, and so on as investments in human capital. They are called human capital because people cannot be separated from their knowledge, skills, health, or *values* in the way they can be separated from their financial and physical assets (my emphases).²⁵

ECONOMIC BEHAVIOR

9. Work/achievement: Work as a vehicle to achieve the good life is another value shared by Protestantism and Judaism. In mainstream Catholic doctrine, derivative of classical Greek/Roman philosophy, the good life is found in spiritual matters, contemplation, and artistic achievement. Work, particularly manual work, is below the dignity of the elites and is relegated to the lower classes. Low prestige attaches to economic activity. Particularly when combined with the Catholic doctrinal preference for the poor (“It is easier for a camel to go through the eye of a needle than for a rich man to enter into the kingdom of God,” Matthew 19:24), it is easy to understand why Catholic ambivalence about capitalism persists to this day.

The Catholic ordering of values was substantially shared by the Confucian countries until the second half of the nineteenth century in the case of Japan and the second half of the twentieth century in the cases of China and its derivative societies in Taiwan, Hong Kong, and Singapore; and South Korea. For reasons of national security and prestige, economic activity, which was traditionally the lowest rung on the Confucian prestige ladder—below the scholars, soldiers, and farmers—has been promoted to high prestige. The effect has been to liberate those values that Confucianism shares with the Protestant ethic: education, merit, frugality, achievement, the lesser virtues.

A similar value transformation with respect to economic activity has occurred in the Catholic—now sometimes referred to as “post-Catholic”—societies of Ireland, Italy, Quebec, and Spain, although the incompleteness of the transformation is apparent in the current Euro crisis.

World Values Survey data confirm the importance of how work is seen. Inglehart concludes, “Intrinsic motivations for work are positively linked with progress. Societies that emphasize work as a means to live show low levels of progress.”²⁶

10. Frugality. The economic “miracles” of Japan, South Korea, Taiwan, Hong Kong, Singapore, and now China and Vietnam are in important measure driven by extremely high levels of savings. In 2001, Singapore saved 44.8 percent of gross national income, China 40.1 percent.²⁷ High savings combined with the Confucian virtues of education, merit, and achievement, and an outward looking set of economic policies, go a long way toward explaining the miracles. Yet frugality is not always an economic virtue—Japan’s recent prolonged economic stagnation is in part attributable to low levels of domestic consumption. Nor is frugality a permanent value; witness the low levels of saving in the United States, so contrary to a fundament of the Protestant Ethic.

11. Entrepreneurship. The Austrian-born American economist Joseph Schumpeter identified the entrepreneurial function as the engine of development. It was not enough to save and invest, he argued. Human creativity must be injected into the formula:

...the function of entrepreneurs is to reform or revolutionize the pattern of production by exploiting an invention or...an untried technological possibility for producing a new commodity or producing an old one in a new way, by opening up a new source of supply of materials or a new outlet for products, by reorganizing industry and so on...²⁸

Schumpeter viewed entrepreneurship as requiring “aptitudes that are present in only a small fraction of the population.”²⁹ He was, I think, wrong about this in two senses: (1) the proportion of entrepreneurs in a society varies with culture: Sweden’s progress-prone culture produces proportionally many more entrepreneurs than does Argentina’s progress-resistant culture, not to mention the world of Islam, or Haiti; and (2) in a progress-prone culture, entrepreneurship is much less elitist than Schumpeter supposed: the surge of industrialization and commerce in the United States and Japan was driven by literally millions of entrepreneurs, some creating large businesses, many more creating small ones. Moreover, entrepreneurship is not confined to the private sector—public administration innovators can play a crucial role in the progress of a society through wise policies imaginatively conceived and implemented.

That the proportion of entrepreneurs in Haiti is low challenges the utility of Hernando De Soto’s magic wand solution to underdevelopment articulated in *The Mystery of Capital*.³⁰ He is surely right that there are many potential benefits from regularizing the real property of poor people which they can then collateralize for loans. But what then happens to the loan monies if the entrepreneurial drive isn’t nurtured by the culture, not to mention in the case of Haiti, one of the countries on which De Soto has focused, the absence of a favorable

investment climate. My Haitian son-in-law’s reaction is probably on the mark: “Many will use the money to migrate to the United States.”

The contrast between the Anglo-Protestant and Ibero-Catholic dispositions to entrepreneurship and the depth of their divergent roots is captured in the diary of the American scholar-diplomat John L. Stephens, who visited Central America in 1839–40 and noted the following after viewing the Masaya volcano in Nicaragua:

...I could not but reflect, what a waste of the bounties of Providence in this favoured but miserable land! At home this volcano would be a fortune; with a good hotel on top, a railing round to keep children from falling in, a zigzag staircase down the sides, and a glass of iced lemonade at the bottom.³¹

12. Risk propensity. Risk propensity is intimately linked to entrepreneurship. Both are derivative of the worldview, particularly the view of one’s possibilities of influencing destiny and one’s view of knowledge. In fatalistic cultures, risks are likely to be seen as incalculable since mysterious forces are at work. The incalculability also may encourage adventuresome behavior. In the progress-prone culture, a sense of control over destiny combined with the inclination to confront facts nurtures the capacity to estimate probabilities, to calculate the degree of risk.

13. Competition. Grondona’s words in *Culture Matters* are apt:

The necessity of competing to achieve wealth and excellence characterizes the societies favorable to development. Competition is central to the success of the enterprise, the politician, the intellectual, the professional. In resistant societies...what is supposed to substitute for it is solidarity, loyalty, and cooperation...In resistant societies, negative views of competition reflect the legitimation of envy and utopian equality. Although such societies criticize competition and praise cooperation, the latter is often less common in them than in “competitive” societies. In fact, it can be argued that competition is a form of cooperation in which both competitors benefit from being forced to do their best, as in sports. Competition nurtures democracy, capitalism, and dissent.³²

14. Innovation. Innovation is conceptually close to entrepreneurship and risk propensity. Like them it is powerfully influenced by the worldview, and particularly the degree to which people believe they can control their destiny.

Openness to innovation is a key factor in many of

history’s success stories . It was, for example, central to the early success of Islam, which revived the wisdom, knowledge, and skills of ancient Greece, and to the transformation of Japan by the Meiji leadership, which widely adopted or adapted the advances of the West in education, technology, organization and administration, military science, and numerous other fields.

With respect to Islam, Tibi sees an unwillingness to learn from others as a huge obstacle to the progress of Islamic countries in general, Arab countries in particular.

15. Advancement. The society that places the most able, best-qualified people into jobs, be they in the public or private sector, is the society that is going to perform the best, to progress most rapidly. To be sure, in all human societies, subjective factors enter into personnel decisions. It is a question of degree: in progress-resistant societies, where trust and identification with others is typically low, subjective factors, particularly family connections, are often dominant in personnel decisions--nepotism is common, and merit is sacrificed. In progress-prone societies, merit is usually the principal determinant of selection. Merit is one of the central emphases of Confucianism, and it is comparably salient in Protestantism and Judaism.

SOCIAL BEHAVIOR

16. Rule of law/corruption. The degree to which a society is respectful of the rule of law is directly linked to the rigor of the ethical code. With Weber’s comparison of the two religions in mind, one would consequently expect that Protestant countries would be less corrupt than Catholic countries, and that is indeed the case according to Transparency International’s Corruption Perceptions Index: in the 2010 listing, of the ten least corrupt countries, nine are predominantly Protestant, including four of the five Nordic countries (Iceland is number 11), New Zealand, the Netherlands, Australia, Switzerland, and Canada,³³ and one—Singapore—is Confucian. In a listing of 178 countries, Catholic Spain is number 30, Italy is number 67, and Argentina is number 105.

The United States is tied at number 22 with Belgium; Chile is number 21. Interestingly, Protestant Barbados is tied at number 17 with Japan.

In his analysis of the typology applying the data of the World Values Survey, Inglehart concludes, “The Transparency International measure of corruption... shows a remarkably strong...correlation with human progress (indicating that human progress goes with *low* levels of corruption).”³⁴ He also recognizes that cause and effect move in both directions with respect to corruption: “It could be argued that governmental corruption is like a cancer that strangles economic development, effective administration of education and human services, and virtually every other element of a healthy

society. But it might also be argued that, in a prosperous and effectively run society, corruption is less tempting. Although I think the relationship primarily functions in the former fashion, I would concede that there probably is some truth in the latter claim.”³⁵

The top ten are strikingly similar in composition to the top ten in the competitiveness index cited above and to another relevant index. In 1998, a group of economists produced a report for the National Bureau of Economic Research on good government around the world, which focused on efficiency, personal freedom, and the degree to which government interferes in the private sector.³⁶ The top ten form a by now largely familiar group, in this case all Protestant, except for Japan:

GOOD GOVERNMENT	COMPETITIVENESS	CORRUPTION
1. New Zealand	1. United States	1. Denmark (3-way tie)
2. Switzerland	2. Switzerland	1. New Zealand
3. Norway	3. Denmark	1. Singapore
4. United Kingdom	4. Sweden	4. Sweden
5. Canada	5. Singapore	4. Finland (tie)
6. Iceland	6. Finland	6. Canada
7. United States	7. Germany	7. Netherlands
8. Finland	8. Netherlands	8. Australia (tie)
9. Sweden	9. Japan	8. Switzerland
10. Australia	10. Canada	10. Norway

Note that not one predominantly Catholic country appears on any of the three top ten listings.

17. Radius of identification and trust. Also linked to the rigor of the ethical code is the extent to which people identify with and trust others beyond the family and circle of friends in a society. I have already stressed the key role that trust plays as a lubricant in an efficient economy. It is a comparably important factor for effective democracy. If mistrust is rife, as in Islamic and Latin American societies, people will be reluctant to relinquish political power lest those who accede to power use that new power either to persecute those formerly in power and/or to deny them access to power in the future.

If one identifies with others in the society, one is more likely to pay taxes willingly; to engage in charitable and philanthropic activity; to associate with others for common goals of a political, economic, social, or recreational nature. I am reminded of a comment of David Hackett Fischer about New England Puritanism in his extraordinary book *Albion’s Seed*, a comment that may well be relevant to the emergence of the town meeting as an expression of grass-roots democracy in that region:

...the Puritans believed that they were bound to one another in a Godly way. One leader told them that they should “look upon themselves as being bound up in one *Bundle of Love*; and count themselves obliged, in very close and Strong Bonds, to be serviceable

to one another”...Long after Puritans had become Yankees, and Yankee Trinitarians had become New England Unitarians (whom Whitehead defined as believers in one God at most) the long shadow of Puritan belief still lingered over the folkways of an American region.³⁷

18. Family. In the progress-prone society, the idea of “family”—the radius of identification and trust—extends even to strangers within the society, along the lines of the immediately preceding passage from *Albion’s Seed*. In the resistant culture, the radius of identification and trust is confined to the family, which becomes a fortress against the rest of the society. This view of family is prominent in Edward Banfield’s classic *The Moral Basis of a Backward Society*, in which Banfield analyzes a village in the south of Italy where identification and trust are confined to the *nuclear* family, a phenomenon that he views as a major contributor to the relative poverty and institutional weaknesses of the region.³⁸

Also highly relevant are the views of the Brazilian anthropologist Roberto DaMatta, who notes in *A Casa e a Rua (At Home and on the Street)*, “If I am buying from or selling to a relative, I neither seek profit nor concern myself with money...But if I am dealing with a stranger, then there are no rules, other than the one of exploiting him to the utmost.”³⁹

Note that Brazil is the world’s champion of *mis*-trust: number 81 of 81 countries on the World Values Survey. In 2000, *three* percent of Brazilians surveyed answered “Yes” to the question, “Can most people be trusted?” In the world champion of trust, Denmark, 67 percent of respondents answered “Yes.”

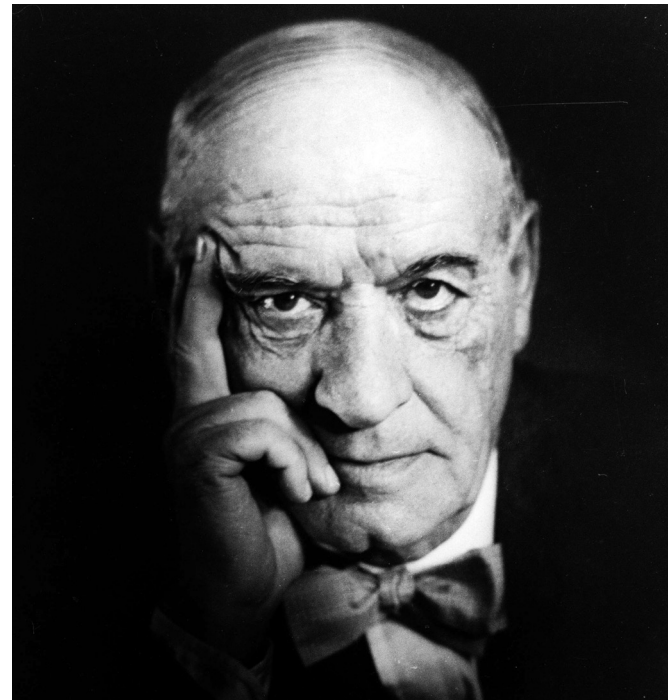
19. Association (social capital). With Robert Putnam’s emphasis on social capital in *Making Democracy Work* and *Bowling Alone*, and Francis Fukuyama’s emphasis on it in *Trust*, “social capital” has entered the mainstream lexicon of the social sciences and the development community. James Coleman, who labeled the concept, defined it as “the ability of people to work together for common purposes in groups and organizations.”⁴⁰ Social capital is intimately linked to Putnam’s “civic community” and the “civil society” that one hears referred to frequently in development institutions like the World Bank—sometimes as if civil society were a given and all you have to do is find it and nurture it.

But social capital is *not* equally distributed among societies, and some societies enjoy the benefits of civic community and civil society more than others. People sometimes forget that Putnam’s earlier book was essentially a cultural explanation of the striking contrast between the North and the South of Italy with respect to civic engagement specifically and the level of development generally. Putnam invokes Banfield’s *The Moral*

Basis of a Backward Society to help explain why the South is so bereft of trust, “an essential component of social capital,”⁴¹ a condition that he traces back to the Norman presence there in the twelfth and thirteenth centuries. Similarly, Francis Fukuyama argues in *Trust* that some societies engender “spontaneous association”—he uses Japan, the United States, and Germany as his principal examples—while others don’t.

The key point here is that social capital is essentially a cultural phenomenon. In order to nurture it in a cultural environment of low trust, one must strengthen the cultural factors that build trust, for example the ethical code, the lesser virtues, the radius of identification.

Social capital is powerfully influenced—one might even say “shaped”—by cultural capital.



José Ortega y Gasset

20. The individual/the group. The issue here is a complicated one: individualism is the hallmark of the progressive West while communitarianism is the hallmark of progressive Confucian Asia. The issue is further complicated by the extreme individualism of Latin America, which has impeded that region—and Spain, at least until the second half of the twentieth century—from consolidating democracy and producing equitably distributed prosperity. An observation of José Ortega y Gasset is relevant:

The perfect Spaniard needs nothing. More than that, he needs nobody. This is why our race are such haters of novelty and innovation. To accept anything new from the outside world humiliates us...To the true Spaniard, all innovation seems frankly a personal offense...⁴²

Moreover, many communitarian societies resist progress, for example in Africa, where, at least in Daniel Etounga-Manguelle's view,⁴³ emphasis on the group saps initiative and the sense of personal responsibility, and does not nurture democratic politics.

Moreover, as Fukuyama points out in *Trust*, strong patterns of association are sometimes found in individualistic societies like the United States and Germany. He argues that the Protestant/individualistic cultures of these two countries have generated substantially more social capital than has the Confucian/communitarian culture of China and Taiwan. But his third model of a high social capital society is Confucian Japan.

Further muddying the waters is the obvious drive for individual achievement, creativity, and entrepreneurship found in the Confucian countries, which has a lot to do with their economic success.

Obviously, the distinction between individualism and communitarianism in terms of their influence on progress is ambiguous and requires a high degree of case by case qualification. It is apparent that other cultural factors like work/achievement, frugality, entrepreneurship, and merit can accentuate either the virtues or vices present in both individualism and communitarianism. Tu Weiming calls for a synthesis of the virtuous aspects of both:

Surely, [Western] values such as instrumental rationality, liberty, rights-consciousness, due process of law, privacy, and individualism are all universalizable modern values, but, as the Confucian example suggests, 'Asian values,' such as sympathy, distributive justice, duty-consciousness, ritual, public-spiritedness, and group orientation are also universalizable modern values.⁴⁴

It could be convincingly argued that the synthesis has been substantially achieved in, for example, the Nordic countries and Japan.

21. Authority. A society's view of authority is fundamental to cultural variation. It is substantially rooted in religion/ethical code and obviously has a profound influence on the way that societies organize their politics. I have already cited Tocqueville's observation about the strong egalitarian link between Protestantism and democracy in America. That Catholic societies have been generally slower to consolidate democracy than Protestant societies can be interpreted as a reflection of the more authoritarian, hierarchical nature of Catholicism. Islam's administrative structure is closer to Protestant decentralization than to Catholic centralization, but its doctrines have promoted fatalism, absolutism, and intolerance, which in turn have nurtured authoritarianism. Confucian doctrine emphasizes filial piety above all and extends that deference to the ruler,

which has a lot to do with the relatively slow evolution of democratic politics in Confucian societies.

22. Role of elites. The extent to which elites assume a responsibility for the well-being of non-elites—*noblesse oblige* captures the idea—is the central issue here, and it is obviously related to the radius of identification within a society. The Nordic countries and Latin America make an interesting contrast in this respect, a contrast that has been the object of a study sponsored by the Inter-American Development Bank.⁴⁵ Dag Blanck and Thorleif Pettersson note the following in their Culture Matters Research Project (CMRP) paper on Sweden:

During the mid seventeenth century, iron foundries were established throughout central Sweden...The iron was produced in small communities called *bruk* where particular social and cultural relations developed, characterized by a paternalistic relationship between the foundry owners and the workers, but also by a sense of social and economic responsibility on the part of the owners.

It is not difficult to see how this paternalism and sense of responsibility, driven in part by Lutheran doctrine, might have evolved into Sweden's advanced welfare state of today. Contrast this with the enslavement of Indians and blacks throughout Latin America during the same period and the self-centered, self-aggrandizing conduct of many Latin American elites in subsequent centuries.

23. Church-state relations. In none of the advanced democracies does religion play a significant role in the civic sphere. This is above all true of Western Europe, where the link between church and state was broken long ago in most countries and where religiosity has declined notably. But it is also substantially true of the much more religious United States. To be sure, religion can exert influence through the religion-based values and views of politicians and media people, for example the anti-abortion, anti-stem cell research positions pursued by George Bush. But the wall of separation substantially prevents intrusion of religious *institutions* into the political process.

I mentioned earlier that Michael Novak has provided me with comments on the typology, and I want to record here his notes on the church-state relationship, seen through the eyes of a prominent lay Catholic. In the progress-prone column, in lieu of "Secularized: wall between church and state," he would say "Division of powers between religion and state; protection of individual conscience." And in the progress-resistant column, he would prefer "Religious leaders perform political roles, and the state imposes religious mandates."

Robert Hefner adds: "...it is the separation of

authorities—and not the “secularist” elimination or even privatization of religion—that is the key to social progress. As the U.S. shows, and as the Protestant reformation in Latin America may be showing, a certain type of religious ethos can be very good for social progress.”⁴⁶

Alfred Stepan presents a helpful formulation of “twin tolerations” in the church-state relationship in a democratic society: “...freedom for democratically elected governments, and freedom for religious organizations in civil and political society...individuals and religious communities...must have complete freedom to worship privately. More: as individuals and groups, they should also be able to publicly advance their values in civil society, and to sponsor organizations and movements in political society, as long as their public advancement of these beliefs does not impinge negatively on the liberties of other citizens, or violate democracy and the law, by violence.”⁴⁷

In this context, it is relevant that the “miracles” of Ireland, Italy, Quebec, and Spain have all been accompanied by a significant reduction in the role and influence of the Catholic Church. Also relevant is Turkey, in many respects the most modernized Islamic country in the world—and the most secularized, even under the current Islamic government led by Tayyip Recip Erdogan. As Yilmaz Esmer, author of the CMRP paper on Turkey observes, Erdogan and those around him “emphasized the fact that they were not ‘political Islamists’ and were in peace with secularism as well as other founding principles of the Republic.”⁴⁸ More recently, Esmer’s optimistic interpretation has become debatable, e.g., with the Erdogan government’s movement away from Israel.

Finally, events in Iran since the 1979 revolution remind us that theocracy and democracy are incompatible.

24. Gender relationships. For several decades, development experts have recognized the important multifaceted role women play in development: as professionals, workers, teachers, politicians, businesswomen, of course; but also as mothers, with the responsibility for rearing children. Child rearing is a key instrument of cultural transmission, and an educated mother is likely to do a better job of it than an uneducated mother. More than ninety percent of Japanese girls were in school in 1905, and atypically large, for Latin America, numbers of women were literate in Chile in the second half of the nineteenth century.

In contrast, the rates of female literacy in some Islamic countries are astonishingly low: in 2001, 29 percent of women were literate in Pakistan, 37 percent in Morocco, 45 percent in Egypt.⁴⁹ Here is a case where reforms and initiatives that make good development sense also offer a vehicle for promoting progressive values.

Alicia Hammond, a Jamaican student at the Fletcher School, wrote an extraordinary term paper for

my Cultural Capital and Development Seminar in which she addresses homophobia—she prefers the term “heterosexism”—in her native country. She makes a compelling case for promoting tolerance of sexual preference.

25. Fertility. In peasant societies, children are both a labor force and old-age social security, and these two practical considerations added to religious injunctions to “go forth and multiply,” not to mention the universal sexual urge, have generally led to high fertility rates in poor countries.

But large, poor families are a recipe for the persistence of poverty and social pathologies, including high crime rates, common to Latin America and Africa. Pitiably small family budgets are stretched just to keep children fed, not to mention clothed, drinking pure water, attending school, Harried parents, often single mothers, do not have the time necessary for adequate nurturing.

The reduction of population growth through expanded contraceptive use is a reality in much of the world today. But fertility rates are also declining in most prosperous countries, particularly in Western Europe and Japan. In his notes on the typology, Michael Novak points out that Europe’s population is certain to decline by 2050 and goes on to say, “Low fertility is also a problem.” I might note, in this connection, that the U.S. Census Bureau projects a population of 439 million in the United States in 2050, a fifty percent increase over the population of 281 million in 2000. The population growth is largely driven by immigration—about 1,000,000 legal immigrants and 500,000 illegal immigrants annually—and by the higher fertility rates of many immigrants.

Four fundamental questions occur, which I list here without further comment because the issue is clearly outside the scope of this article:

1. *Is an ever-increasing population desirable? Is there a limit imposed by environmental carrying capacity?*
2. *Is prosperity sustainable, not to mention increaseable, with a stable or declining population?*
3. *Can “ageing” societies, where the 65-and-over component is proportionally much larger than it is today and the youth component much smaller, sustain or increase prosperity?*
4. *What is the relationship between national power and population size?*

THE ESSENCE OF THE TYPOLOGY

At the heart of the typology are two fundamental questions: (1) does the culture encourage the belief that people can influence their destinies? And (2) does the culture promote the Golden Rule? If people believe that they can influence their destinies, they are likely to focus on the future; see the world in positive-sum terms; attach a high priority to education; believe in the work

ethic; save; become entrepreneurial; and so forth. If the Golden Rule has real meaning for them, they are likely to live by a reasonably rigorous ethical code; honor the lesser virtues; abide by the laws; identify with the broader society; form social capital; and so forth.

UNIVERSAL PROGRESS CULTURE AND SOCIAL CAPITAL

Progress-prone culture comprises a set of values that are substantially shared by the most successful societies on earth—the West and East Asia—and, I might add, by high-achieving ethnic/religious minorities like the Jains and Sikhs in India, the Basques, the Mormons, the Jews wherever they migrate. I speak of a Universal Progress Culture that contrasts with the Universal Peasant Culture perceived by George Foster and others. Clearly, the East-West overlap is most apparent in economic as well as social development, e.g., high levels of income, education, and health, and relatively equitable income distribution. There is an obvious divergence with respect to democracy: Confucian-style authoritarianism persists in China, Singapore, and Vietnam. But the democratic evolution of Japan, South Korea, and Taiwan and the nurturing of democracy by sustained high economic growth suggest that the East-West synthesis of virtues that Tu Weiming calls for may be realizable throughout East Asia. It is already a substantial reality in the West, above all in the Nordic and English-speaking countries.

If Tocqueville and Weber, and a long line of subsequent writers who believe that culture matters, are right, promotion of Universal Progress Culture values will increase a society's cultural capital—and, inevitably, its human and social capital as well. Increased cultural capital translates into swifter progress toward the goals of democratic governance, social justice, and prosperity. ■

Endnotes

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29. Ibid.
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32. *Culture Matters*, p. 49.
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value systems of both societies have been largely shaped by Protestantism. What matters, as Ronald Inglehart points out in his chapter in *Culture Matters* (p. 91), is "...the historical impact...on the societies as a whole."

34. Inglehart, p. 4.

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On the Significance of Culture

In democratic countries the science of association is the mother of science; the progress of all the rest depends upon the progress it has made.

—Tocqueville

Most of the people of the world live and die without ever achieving membership in a community larger than the family or tribe. Except in Europe and America, the concerting of behavior in political associations and corporate organization is a rare and recent thing.

Lack of such associations is a very important limiting factor in the way of economic development in most of the world. Except as people can create and maintain corporate organization, they cannot have a modern economy. To put the matter positively: the higher the level of living to be attained, the greater the need for organization.

Inability to maintain organization is also a barrier to political progress. Successful self-government depends, among other things, upon the possibility of concerting the behavior of large numbers of people in matters of public concern. The same factors that stand in the way of effective association for economic ends stand in the way of association for political ones too.

We are apt to take it for granted that economic and political associations will quickly arise wherever technical conditions and natural resources permit. If the state of the technical arts is such that large gains are possible by concerting the activity of many people, capital and organizing skill will appear from somewhere, and organizations will spring up and grow. This is the comfortable assumption that is often made.

The assumption is wrong because it overlooks the crucial importance of culture. People live and think in very different ways, and some of these ways are radically inconsistent with the requirements of formal organization. One could not, for example, create a powerful organization in a place where everyone could satisfy his aspirations by reaching out his hand to the nearest coconut. Nor could one create a powerful organization in a place where no one would accept orders or direction.

There is some reason to doubt that the non-Western cultures of the world will prove capable of creating and maintaining the high degree of organization without which a modern economy and a democratic political order are impossible.

—Edward C. Banfield

THE MORAL BASIS OF A BACKWARD SOCIETY (The Free Press, 1958)