Why Did Some Countries Advance While Others Remained in Poverty?

Lecture 4, Chapter 3

We’re making a differential diagnosis of why countries get stuck with very bad economic performance. We’ve looked at how poverty traps can hold poor countries in a grasp, preventing them from making the basic investments to move forward. We’ve looked at how physical geography, the presence or lack of fossil fuels, the proximity or distance from the coast, the I nature of the climate system can shake economic development.

Very often people turn first to culture as the explanation of why some places are ahead and others behind. It's often quite glib because rich people like to say, “We’re rich because our culture is better,” rather than to say, “We're rich because we have lots of energy resources, good coastal proximity, and a healthy climate,” and rich people often like to blame poor people for their problems. They say, “Well, they're lazy, they're not working very hard, and throughout history places that were once poor and became rich were known quote-unquote, as lazy places during their period of poverty and then once they became rich, their culture was used to explain they're hard-working ethos, so culture can be a bit of an optical illusion, a little bit too easy sometimes as an attribution or cause of a country’s conditions and we should remember that cultural phenomena, people's beliefs and attitudes, their views towards their appropriate roles in society, change over time as well, so culture isn’t a fixed monolith.

I believe culture has a role, however, though not as big a role as is sometimes thought, and we should focus on those attributes of society’s values, its norms, its attitudes, as ways that can be promoted or barriers to sustainable development.

I want to focus on three. One is on demography and population, the second on education, and the third regarding gender.

When we look at the population challenge a good place to start is this world map of the fertility rate. The total fertility rate in the country, you recall, measures on average, the number of children that a woman will have during her lifetime. It looks at the age-specific fertility rates for women in this society and then says if women age 20 to25 on average have this many children women aged 25 to 30 have this many children and so forth, then on average over the course of a woman’s lifetime or reproductive years an average woman in this society would have this number of children. What the world map shows is the tremendous variation in our world today in the total fertility rate. In many parts of the world, especially the high-income world today, fertility rates are below two. That means that each woman, on average, is having fewer than two children. It means since half the children are boys and half the children are girls, on average, each woman is having less than one daughter or if you say 10 women in total would be having fewer than 10 daughters. You can see that when fertility rates are below two, so that on average each mother is not replacing herself in the next generation with the daughter, statistically speaking, that the population would tend to be stable or declining. When the total fertility rate is above two, than the population would tend over the longer term to increase, so if in the high-income world on this map we see total fertility rates below two, we also see in some of the world's poorest countries, notably in Africa and in parts of South Asia, total fertility rates above four and in many rural areas in low-income tropical Africa we have total fertility rates above six. That is, a poor household would on average the woman would be having six or more children.

This tremendously affects economic development because with very large populations of young children, poor families have a very difficult time providing the basics for all of their children. Maybe just the eldest son is able to go to school and the girls are married at a young age or work in the fields without a proper education, and that means that in the next generation those young girls will grow up without the literacy and the skills that they need to help their own lives, their own children, and the national economy to be productive.

So countries that have made a transition from high fertility rates to low fertility rates have tended to have an advantage in economic development. Countries that have still today very high fertility rates tend to have much lower economic growth. To a certain extent this is a matter of income itself. It’s not really a matter of culture. Poor families living on farms tend to have more kids and have less access to family planning, to contraception. The girls don't have access to schools and don't go to school and tend to married young and begin having children at a very young age, but to some extent, at least, fertility rates also reflect culture.

Let’s look at one example of a society moving rapidly from high fertility rates to much lower fertility rates that China they did that by and large through a government policy known as the one-child policy. And while it's been very controversial, notice the implications of this policy. What has happened is, in a very short period of time, family size has come down rapidly and parents have invested intensively in their one or sometimes two children, and so that within one generation the levels of education, nutrition of Chinese young population has soared. This played an enormous role in China's very rapid economic development, so some places by virtue of culture, politics, history, have still very high fertility rates. Other places have a rapid transition to lower fertility ratings and the record shows very clearly that those countries experience faster economic growth, better health for the children, and higher educational attainments.

Over time this fertility rate shapes the population dynamics, whether the population is rising or declining in overall size, and the age distribution of the population shown here by the age population pyramid, so called. What these pyramids show are the numbers of boys and girls or men and women at various ages, showing the age structure of the population. If you look at Japan’s population, for example, in 1950 when fertility rates for still rather high, the number of children at the bottom of the pyramid was much larger than the number of their parents and far larger that the number of the grandparents. By 2005 the shape of that pyramid had changed considerably: Japan had reduced its fertility rates, partly as a result of culture, partly as a result of economic development, partly as a result of public policy, and so now the number of children were actually fewer than the number of parents because the fertility rate had come down below two and the whole age structure therefore wasn't a broad pyramid with a big, big base of young children, but was now other much more similar in numbers a population at all ages. By the middle of this century, because of the continuing low fertility rate, the population age structure will be an inverted pyramid: few children, many more order people, and that’s how the transition occurs when fertility rates come down. Most of today’s very poor countries have that big base pyramid: huge numbers of very young children to be supported. How are they going to be educated? How are they going to get the health care and the nutrition that they need? Only if today’s high fertility countries are able through matters of public policy, cultural attitudes, and so forth to help reduce those fertility rates, and the best way is through the voluntary choices of households who decide to reduce the number of children so that they can invest more per child and help raise healthy and better-educated children. Unless that happens, then the problems are the large numbers of children outnumbering their parents will continue to make very difficult the economic development of the poor countries.

Another cultural phenomenon involve attitudes towards education. Some poor societies even in a state of great poverty, by tradition, by culture, focused a huge amount of effort and attention on literacy. Korea is one such country. Korea, even when it was impoverished in the middle of the last century, had a very high literacy rate, and there was always great attention in Korea’s modern history to broad-based literacy. While that’s a cultural attitude as well as a government policy, and it’s done very well for Korea since the middle of the century and the terrible Korean War ended took place and devastated so much in Korea. In South Korea we’ve seen some of the most successful economic development ever attained, some the fastest economic growth, and with a rather widespread prosperity. A huge part of that has been facilitated by this continuing commitment to broad-based high-quality education, and indeed this shows up in international test scores. What you're looking at here are the rankings on international testing in science and math. Where’s Korea? Right at the top stop. It’s not the richest country in the world, but it’s right at the top ranks, number one or number two. Definitely in almost every testing category within the top few countries in educational performance. This reflects not only public investments in education but it reflects parental support for their children, urging their children to excellence. It reflects a culture that has long— strongly valued education and thereby made it possible for Korea to become world leader in technology and one of the fastest-growing countries in the world.

A third cultural attitude that deeply influences patterns of economic development are the attitudes toward women. Do women have rights? Are women participating in the labor force? Do women face massive discrimination? So gender quality or rather inequality also has political aspects, but culture plays a significant role. Once again, as with fertility and as with education, there are big differences around the world in attitudes towards gender equality, in attitudes towards women, even in the physical safety of women from violence. One can see the many, many ways that this influences economic development. There’s probably not a society in the world where women still do not face at least some discrimination. It took tremendous political effort social mobilization and a lot of courage for women to break through this discrimination even in places today that we view as close gender equality if not fully there. But there are many parts of the world, where of course women still face profound, profound barriers to their economic participation, to their political participation, to their role in society.

What are the consequences of that? A society that tries to run on half its brainpower, on half its human capabilities, blocking the role of women in problem-solving, in economic leadership, in a political role, a country that's running only on half its human resources is bound to fall behind countries that are empowering all of their citizens, women and girls as well as men and boys. Countries where young girls may have one or two years of schooling but then because of lack a Pinterest lack of budget lack up for a family attention an effort are forced to drop our school marry young, start having children young, do not have the productivity to participate in a modern economy,y face a tremendous amount of poverty and suffering themselves, and by dint of that are likely to be raising children in poverty as well.

Now this is an area where there have been a huge changes, fortunately in the right direction over the last thirty years but by no means uniform. Look at this wonderful picture of the Rwandan Parliament. It may surprise you to know that Rwanda’s parliament is not only more than half women but has the highest proportion of women in its parliament in comparison with the rest of the world. and women's participation in politics has soared in Rwanda and it is rising in other parts of the world though still with huge inequalities and still a tendency towards men dominating political power. In Rwanda you can see me the wonderful benefits of this turn towards women’s empowerment. Rwanda has made astounding progress in reducing child mortality; it’s making big progress in improving education. Social conditions have improved dramatically and while there are many factors that are contributing to Rwanda escaping the poverty trap, the role of women in the parliament, in my opinion, has played a significant role. Not only are these women powerful role models for young girls in Rwanda, and I think Rwanda’s success in light of this experience is a very powerful message for countries that are still lagging behind. Don’t try to develop with only half of your citizenry. Take the lesson that country that is mobilizing all its citizens, its girls and women as well as its boys and men, is a economy that's going to have more success in the twenty-first century.