

Does Culture Matter for Development?

Regarding the relationship between culture and development, two radically opposed views are possible. The first view asserts that culture may block development and, unless cultural changes take place, the societies concerned will prove unable to go ahead. The second view, on the contrary, contends that cultural traits are essentially malleable and adapt to more fundamental determinants such as technological and economic factors. Of course, these adjustments are not instantaneous by the very definition of what is a cultural trait –a value, a belief or a norm that structures the way of understanding the world and the relations among people that is transmitted through a socialization process.

In between these two extreme views, there is room for another approach that lays emphasis on the feedback effects and self-reinforcing relations between culture and development, and on the possibility of different development paths or trajectories depending on the peculiar history of human societies and the manner in which it is embedded into existing institutions. There then arises the question as to how policy makers could intervene to accelerate economic progress and cultural change when the two are interrelated forces driving societies.

The next AFD/EUDN conference wants to address this extremely complex issue but, to avoid falling into the pitfall of generalities and abstract statements, it will deliberately focus on well-specified aspects of the problem at stake. These aspects are the following:

Theme 1: Religion and development

Chair: Danièle Hervieu-Léger (EHESS)
Main speaker: Timur Kuran (Duke University)
Discussants: Mona Makram-Ebeid (American University of Cairo)
Pierre-Joseph Laurent (Université Catholique de Louvain)

The central question to raise here is the extent to which religious beliefs, possibly backed by a religious institutional establishment, are the endogenous outcome of forces that operate on the economic or political level, or else as an autonomous factor that conditions development. This question will be examined with special reference to the Middle East and Islam. Can we trace the precise channels through which Islam has determined the institutional set-up of this region and the way institutions found in the Middle East seem to adversely affect its economic growth prospects? The policy implications also need to be drawn: how can public or private agencies work toward modifying beliefs in a direction more conducive to economic development?

Theme 2: Ethnicity, family and social struggles

Chair: Lawrence Haddad (Institute of Development Studies, Sussex University)
Main speakers: Eliana La Ferrara (University of Bocconi, Milan)
Jean-François Bayart (FASOPO, Paris)
Rohini Somanathan (University of Delhi, India)

An important aspect of people's livelihood is formed by the family system under which they live and the social networks on which they can rely for solving everyday problems. Yet, at the same time, the family can be an obstacle to changes or a constraint that limits the emancipation of its members, whether on the level of economic or demographic (reproductive) decisions and behaviours. Likewise, social networks or communities can promote development but, in some circumstances, they can also be an obstacle to economic efficiency and retard development. What are the conditions under which the family structures and social networks can be an obstacle rather than a factor conducive to growth, and how are these conditions possibly related to the culture and history of the society, is a central question to be addressed under this theme. More pointedly, is ethnic or community heterogeneity an

asset or a shortcoming for economic development? Another question that falls into the purview of the theme is the role of social classes and struggles in determining economic and livelihood outcomes. More precisely, to what extent do references to ethnic or community identities conceal more critical motives pertaining to class interests?

Theme 3: Culture and poverty

Chair: Pierre Jacquet (AFD)
Main speaker: Michael Walton (Kennedy School of Government, Harvard University)
Discussants: Stutti Khemani (Banque Mondiale)
Stéphanie Mahieu (European University Institute, Firenze)

Does culture matter for understanding the nature and persistence of poverty? And should development policy take culture into account in designing policies to reduce poverty? The “culture of poverty” view argues that poor people remain poor, at least in part, because they possess a set of culturally-shaped behaviors and preferences that inhibit the investment, production and consumption decisions and innovation necessary to escape poverty. The “poor, but rational” view, by contrast, argues that the poor are like the non-poor in underlying aspirations and preferences, but are more constrained in their assets and access to market and other opportunities. These views have quite different implications for policy. But are they adequate descriptions of the condition of poverty? The set of preferences, behaviors and social practices are products of interactions between groups, typically associated with unequal patterns of power and underlying conflicts. Moreover, the nature and salience of group-based identities are influenced by economic change, political opportunities, and endogenous processes of socio-cultural change, for example in social mobilization. These interactions can, intuitively, lead to multiple equilibria, with greater material poverty, lower status, and greater humiliation of poorer groups in some than others. Now the “policy” implication becomes a more complex question of understanding the potential drivers of shifts from one equilibrium to another. This session will include a discussion of implications for the conduct of development practice.

Theme 4: Culture and entrepreneurship

Chair: Javier Santiso (Development Center, OECD)
Main speakers: Marcel Fafchamps (Oxford University)
Philippe d’Iribarne (CNRS, Paris)
Jean-Pierre Warnier (Université de Paris-V)

To what extent do traditional values, norms and institutions bear upon the way a firm is run in specific parts of the developing world? In particular, can we detect the influence of cultural practices on the incidence of indigenous entrepreneurship, the acceptance of stranger entrepreneurs (especially when they come from foreign countries), and the way entrepreneurs and firms rely on relatives and other kin-related people for designing and enforcing contracts. Do family or kin-based firms arise more easily in certain cultures than in others, and are they effective in accumulating capital (through partnerships and other forms of capital-pooling) and making innovations? These questions involve the problem of trust (are relatives more or less reliable to honour contracts, are they more or less difficult to sanction in the event of contract failure, etc) and lead us to wonder whether belonging to a family or a social network carries a net advantage or disadvantage for willing economic entrepreneurs.

Synthesis of the day: Jean-Philippe Platteau (FUNDP, Namur)
Jean-Pierre Olivier de Sardan (CNRS, EHESS Marseille)