Economists face huge challenges when trying to find the exact reasons for wealth and growth. A new thesis argues that the Roman Catholic order of Cistercians formed the basis for prosperity in the West.

Why is the Western part of the world enjoying wealth and growth, while other countries are left behind in poverty?

A new PhD thesis seeks to find an answer to this question by digging deep into the underlying mechanisms of growth.

One of the clues the thesis follows begins in France in 1098, when a breakaway group of monks formed a new monastic order. We’ll get back to that, but first we need to delve a little deeper into the underlying factors of wealth and growth.

Here, the economic literature points to three factors: institutions, culture and geography.

The idea is that some countries have established institutions that form a good breeding ground for education, savings and technological progress – or they have simply been blessed with a culture or a geography that has formed a productive environment.

“We’re still no wiser as to exactly which dimensions of culture, institutions, geography and climate are of importance here,” says Jeanet Sinding Bentzen, of the Department of Economics at the University of Copenhagen, who has just defended her PhD thesis Why are some countries richer than others?

“In my thesis, I look at some of these deep explanatory factors to see if they can help explain the differences in income.”

Economic success may be due to diligence and moderation

The German economist and sociologist Max Weber, widely considered as one of the founders of social science, highlights what he calls ‘The Protestant Ethic’ as being particularly beneficial to capitalist prosperity.

‘The Protestant ethic’ is basically about working hard, saving money and reinvesting the profits.

In the article Religious Orders and Growth through Cultural Change in Pre-Industrial England, which forms part of Bentzen’s thesis, she and her research colleagues seek to examine to which degree societies with a culture of diligence and moderation were actually enjoying more economic success even before the Industrial Revolution.

Big differences in the world

Before the Industrial Revolution there were only very small differences in countries’ prosperity.
But the revolution brought with it a shift to mechanised production, which resulted in great increases in productivity and efficiency.

With this revolution, it was mainly European countries that saw massive increases in their production output. Today these countries are way ahead of certain other countries in the world.

This difference in the timing of the Industrial Revolution can explain much of the difference between rich and poor countries today, the researchers believe. It is therefore interesting to study factors affecting the timing of the Industrial Revolution.

**Population density is an indicator of a society's wealth**

To measure a country's economic success today, economists often use the gross domestic product (GDP) per capita – the country's total production performance.

There is, however, no reliable GDP data per capita dating back to before the Industrial Revolution. For that reason, economists often use population density as a measure of a society’s prosperity.

This is because virtually all societies back then lived with an absolute minimum of economic security and survival, which meant that any additional income resulted in more survivors – which resulted in an increased population – while lower income led to fewer survivors.

“So we wanted to study to which degree countries that valued diligence and moderation also had a greater population growth,” she says.

So how do we measure such diligence and moderation?

“The proportion of Protestants in a society might be an indicator of these values, but the problem here is that it wasn’t a coincidence that some countries converted to Protestantism. It could well be that a society which for instance had higher levels of education had a greater tendency to convert to Protestantism, while at the same time achieving greater economic success, despite Protestantism.”

**Cistercian monks highlighted as a good example**

This prompted the researchers to go as far back as to the point that has previously been identified as a possible origin of The Protestant Ethic: when the Roman Catholic order of Cistercians was founded in France in 1098.

The order was formed by a breakaway group of Benedictines which advocated a stricter obedience to the Rule of Saint Benedict [8].

To allow as much time as possible for prayer, the Cistercians streamlined their work and minimised their consumption.

“Cistercians were known to be extremely diligent and frugal – the exact virtues that Weber ascribed to Protestantism,” says Bentzen. “Weber himself highlighted the Cistercians as early forerunners of the Protestant Ethic.”

**The monks left fundamental values in society**

Having looked at statistics covering 40 counties in England, the researchers concluded that regions with many Cistercian monasteries experienced a higher population growth in the period 1377-1801.
What’s even more striking is that the influence that monasteries had on population density was the same before and after 1600.

The fact that all monasteries were closed down during the Reformation in the year 1500 also shows that the monasteries had an influence on society several centuries after being closed down.

So it appears that it wasn’t only the monks’ excellent abilities to e.g. use watermills that have been passed on to posterity. Rather, it was something more inherent and fundamental.

“We are cementing that the monks passed on their cultural values by showing – based on the European Values Study [9] – that European regions with several Cistercian monasteries still to this day value diligence and moderation more than other regions,” says Bentzen.

“Our study of monks shows that societies that had a culture where diligence and moderation were highly valued had an advantage when the Industrial Revolution started. All else being equal, countries with high levels of work ethic will, historically speaking, achieve greater prosperity.”

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Read this article in Danish at videnskab.dk [10]

[Capitalist countries? prosperity is rooted in the ancient Cistercian monastic order. (Photo: Colourbox) [11]
The Industrial Revolution enabled European countries in particular to make great progress in production. Today, these countries are 200 years ahead of certain African countries. (Photo: Colourbox) [12]
munk_0.jpg [13]

Fact box
The article Religious Orders and Growth through Cultural Change in Pre-Industrial England, which formed part of Bentzen’s PhD thesis, was recently presented at two prestigious conferences: The American Economic Association meeting and the National Bureau of Economic Research Summer Institute.

Highlighting elements of geography and institutions to examine why some countries are richer than others is just one part of the thesis.

Fact box
The Industrial Revolution was a period from 1750 to 1850 in which changes in agriculture, manufacturing, mining, transportation, and technology had a profound effect on the social, economic and cultural conditions of the times. It started in the UK, then subsequently spread throughout Western Europe, North America, Japan, and eventually the rest of the world.

The industrialisation process in the rest of Western Europe and the United States after 1870 has been termed 'the second Industrial Revolution'.

Jeanet Sinding Bentzen?s profile [16] About the Order of Cistercians (Wikipedia) [17] About the Industrial Revolution (Wikipedia) [18]
Religious Orders and Growth through Cultural Change in Pre-Industrial England [19]
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