African History through the lens of Economics

Questions and Answers - Week 11

Plenary Session 2, Tuesday, April 12: Africa's Latent Assets and the Future *with Chima J. Korieh, and James Robinson*

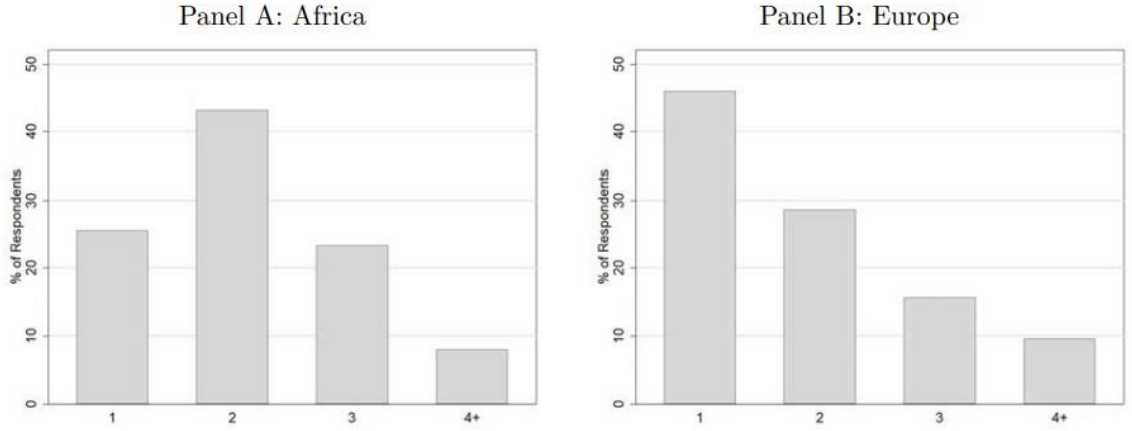
Plenary Session 3, Wednesday, April 13: Conclusion and Africa; WEIRD or Not? *with Joe Henrich and full teaching team*

Please visit our course website to access the recorded lectures and slides of each session. Due to the high volume of questions received during the live Q&A, we have prepared this document, which addresses a selection of questions that were not possible to answer during the lecture.

Q1. Is multilingualism really an advantage or could it be a disadvantage?

As we heard in the lecture, Africa is the most multilingual region of the world. Below is a figure from Henn and Robinson (2021) which highlights the fact that roughly three in four individuals in Africa speak more than one language (this compares with around 75% of people in the United States speaking only one language; English):

Figure 10: *Cosmopolitanism: Numbers of Languages Spoken*



Notes: This figure shows the numbers of languages spoken by respondents in Africa and Europe. Data for Africa come from Round 4 of the Afrobarometer (Panel A). Data on Europe come from the Special Eurobarometer 386 (Panel B). A list of countries included in the data can be found in Appendix Section A.

Studies have shown that there are several benefits to being multilingual. Among them, Diamond (2010) points out that monolingual people are worse at processing the great variety of stimuli that we are exposed to in our daily lives. Moreover, he stresses that multilingualism might have some preventive power against Alzheimer's. For a more comprehensive overview, see also Antoniou (2019).
People have asked whether multilingualism might hold back collective action for development. Yet, research has shown that people assess a situation from a more utilitarian perspective if they are prompted to think about it in a foreign language (Costa et al. 2014). A study by Fan et al. (2015) shows that multilingual children are better at interpreting a speaker's intended meaning. This evidence suggests that the multiple languages that many Africans speak can be of great benefit. This is particularly true as each country has one common language, such as English or French, that large parts of the population speak. This means that there is no language barrier in the sense that people are unable to communicate with each other.

Q2. To what extent do African countries have meritocratic systems? Where they do, are those systems functioning well?
The extent to which a meritocratic system is functioning well is difficult to assess and clearly there is a lot of heterogeneity between countries on the African continent. Nevertheless, it is useful here to look at levels of social mobility in Africa and compare it to other regions in the world, as James Robinson and Chima Korieh did in the lecture. If nepotism, corruption and an economic headstart are the means to get ahead as opposed to merit, one would expect low levels of social mobility. However, in the Afrobarometer, individuals' self-reported social mobility (that is, how does my economic situation compare with the economic situation of of my parents?) appears relatively higher when comparing Sub-Saharan Africa to North Africa, Asia, and even to Europe and the United States.
When looking at this type of survey data, one has to keep in mind that subjective assessments might not be an accurate depiction of reality. The empirical evidence on the topic is less clear. Alesina et al. (2021) find considerable heterogeneity in levels of social mobility between countries. Countries that have the highest levels of intergenerational mobility include South Africa, Botswana and Zimbabwe; whereas Ethiopia, Sudan, Mozambique and South Sudan score relatively low on that metric. Alesina et al. (2020) also find that religion is playing a big role.
Data from the World Bank on intergenerational mobility shows that Sub-Saharan Africa is less socially mobile than the high-income countries of East Asia, Europe and Central Asia, but more socially mobile than South Asia, the Middle East and North Africa, and Latin America. Besides this evidence on social mobility, survey data shows that Africans really do believe that hard work is the way to get ahead and these convictions can influence behaviour. In conclusion, it appears that many African countries are characterized by a culture of meritocracy.

Q3. How can African governments take advantage of the (latent) assets highlighted in the lecture?
Institutions are crucial to economic growth and the utilisation of an economy's potential. (As used by economists, the term "institutions" refers not only to the government and formal

public sector; Douglas North (1990) has the following definition: “Institutions are the rules of the game in a society or, more formally, are the humanly devised constraints that shape human interaction”. On the topic of the influence of institutions on economic growth, we highly recommend *Why Nations Fail: The Origins of Power, Prosperity and Poverty* by James Robinson and Daron Acemoglu (2012).
Utilising the latent assets that Africa possesses would necessitate the building of institutions that are more inclusive in nature; that is, they protect property rights and allow all individuals in a society to engage in the economic system in order to make a profit. An example of a country which changed its institutions and consequently experienced strong growth is China. In 1978 Premier Deng Xiaoping introduced reforms that served as the cornerstone for China’s strong economic performance. This period of rapid growth was possible due to the underlying characteristics of Chinese culture.

Q4. Are there demographic differences in the traits discussed by Chima J. Korieh and James Robinson, such as number of languages spoken or scepticism of power?
Unfortunately, we do not have an answer readily available to this question. For anyone who is interested in exploring the issue, we recommend looking at the Afrobarometer. You can find it here: https://afrobarometer.org/. Since respondents indicate their gender, age, ethnicity and where they are from, you can see for yourself whether significant demographic differences are discernible.

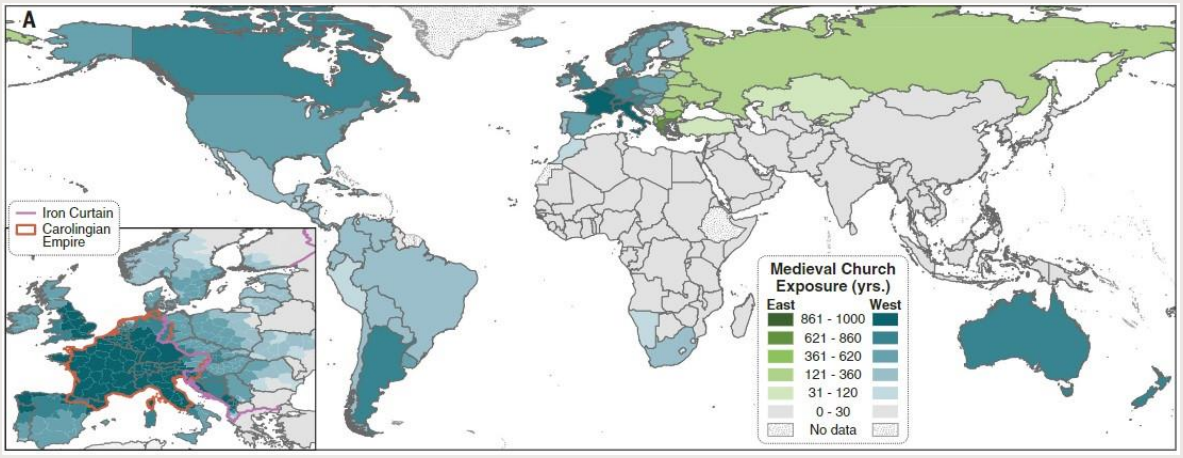
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Q5. Do WEIRD attributes facilitate innovation? Are they conducive to economic growth more broadly? What are the mechanisms underlying this phenomenon?
Joe Henrich’s lecture was largely based on his books *The WEIRDest People in the World* (2020) and *The Secret of Our Success* (2015). They describe in detail the characteristics of WEIRD (Western, Educated, Industrialized, Rich, Democratic) people. Some attributes that we would think of as WEIRD have indeed been associated with higher levels of innovation. Trust is a key component of social capital and appears to be somewhat higher in WEIRD societies (data on this is available here: https://ourworldindata.org/trust). In the European Union, trust has been shown to be associated with higher levels of innovation at the regional level, which in turn promotes per capita income growth (Akçomak and Ter Weel, 2009). At the cross-country level, Algan and Cahuc (2014) highlight the strong correlation between average trust and R&D expenditure. However, they also emphasise that the direction of causality is not yet fully established. They discuss trust as being important for innovation because it is required in financing risky research projects.
Another dimension on which WEIRD countries differ from the rest of the world is the relatively higher level of individualism. While individualist cultures value independence and uniqueness, collectivist cultures cherish the family and conformity (Santos et al. 2017). Gorodnichenko and Roland (2011) find a strong positive correlation between the level of individualism and GDP per worker and long-run growth across countries. To establish causality (that is, that an individualistic culture is conducive to economic growth and not the

other way around), they use an instrumental variable and confirm the former. They also establish that innovation and an individualistic culture positively correlate.

Q6. If the church was solely responsible for European Western countries' kinship institutions because of its family policies, why didn't the same policies affect other Christian parts of the world?

First, we need to establish which church Joe Henrich was exactly referring to in his lecture. The Western Church that he talked about was the branch of Christianity that evolved into the Roman Catholic Church. This altered Europe's kin-based institutions in the Middle Ages, encouraging relatively independent and nuclear families. The hypothesis put forth by Joe Henrich and co-authors is that the *duration* of exposure to the Western Church influenced the degree to which kinship institutions changed. Since Western Europe had the longest exposure, this is where kinship institutions are the least intense. Moreover, the Western Church is distinct from the Eastern Church, which dominated the Balkans and parts of Eastern Europe. We reproduce here Figure 1, Panel A, Church exposure and kinship intensity around the world, from a paper by Schulz et al. (2019):



Q7. Are nightlights really a good proxy for economic development and/or prosperity? Why do we not use "standard" measures, such as GDP or HDI?

We repeat here part of the answer to a similar question in week 2: Henderson et al. (2012) discuss in length the usefulness of nightlights as a measure for economic growth. Another paper that delves into this question is Michalopoulos and Papaioannou (2013), who undertake a validation exercise using DHS data. Chiovelli et al. (2018) provide further validations of luminosity using detailed census data across Mozambican localities in 1997 and 2007 in their analysis of landmines and spatial development. Overall, we learn something from the nightlights data and there is evidently signal. It is not a definitive measure of economic growth and it is useful to complement it with some of the other datasets we have seen, but it can add a lot of value when exploring questions that necessitate the availability of granular data.

The need for granular data also explains why conventional measures of economic success such as GDP and HDI are not always enough. These statistics are usually computed at the

national level and therefore mask substantial heterogeneity within a country. Joe Henrich presented research where he uses a regression discontinuity design to compare regions on each side of the border between ethnic groups that have high versus low kinship intensity. This requires granular spatial data on the varying economic success of the different ethnic groups. Moreover, comparisons between countries as a whole often introduce a large number of confounding factors.

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