

CULTURE AND DEVELOPMENT

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The world of banking and that of culture are not thought to have much in common. Of course, many of us have had the experience of humouring our bank managers, usually before asking for an overdraft, but whether that counts as a cultural interaction I am not able to determine. It may be well asked why anyone should try to lecture the World Bank on culture. Why should culture interest the Bank at all? Isn't it plausible to presume that the International Bank for Reconstruction and Development is busy reconstructing and developing?

These are not, in fact, hard questions to answer, for cultural issues can be critically important for development. The connections take many different forms, related to the objectives as well as instruments of development. Cultural matters are integral parts of the lives we lead. If development can be seen as enhancement of our living standards, then efforts geared to development can hardly ignore the world of culture. Economic and social changes in pursuit of development can certainly influence - positively or negatively - the opportunities for cultural pursuits, and it would be appropriate to see that the effects on these opportunities receive serious attention.

It can be argued that development is best seen as enhancement of freedom in a very broad sense.<sup>1</sup> If this is more or less right,

then surely cultural freedoms are among the freedoms in terms of which development has to be assessed. Culture would have to figure among the end-based considerations in development analysis.

But is the linkage entirely through the ends of development? What about the role of cultural factors as means of development? For example, cultural conditions can exert a strong influence on human behaviour, and through that can affect economic choices and business decisions, as well as social and political behaviour. Surely they too must be taken into account.

Indeed, development and culture are linked in a number of different ways, and the connections relate both to the ends and to the means of development. It is not surprising that the World Bank, as a leading development agency, has in recent years started to take considerable interest in the way that cultural factors can influence the process of development. There are, however, at least two serious problems in achieving an adequate understanding of the interconnections. There is, first, the problem of variety: the fact that these linkages can take many different and very disparate forms. In the enthusiasm for noting some cultural connections, other connections can quite possibly get missed, and we can easily make a meal of some linkages while going hungry on others. It is important to see the diverse interrelations between culture and development paying attention to their disparate nature and relevance. Indeed, it should be useful to have something of a classification of the different types of linkages so that at least

no major category of connections is missed.

The second problem concerns intricacy. Cultural connections are inescapably complex. Even though they seem to offer temptations towards quick and grand generalizations, various theses of exalted simplicity and majestic scope have fairly dismal track record of explanation as well as prediction. There are, therefore, good reasons to go beyond the taxonomy of different connections into critiques of particular theses and suppositions. This is not an easy exercise, but it is worth trying.

#### Cultural Investments and Economic Returns

I begin with the role of culture as means to development, rather than its role as a constituent part of development and its basic ends (to the latter issue I shall come later). Perhaps the simplest connections concern the direct economic value of cultural investments. Some cultural developments, for example those that strengthen efforts in expanding tourism, can be directly beneficial from an economic - even a commercial - point of view. Cultural projects can, in this direct and immediate way, be good economic investment as well. That must be seen to be connection enough even by those who are generally sceptical of taking much note of culture in considering economic development. Of course, the fact that the promotion of cultural tourism has other effects as well - positive or negative - will also have to be considered, among the totality of concerns. But it would be hard to deny that tourism can be a

source of much income and employment, and that these must count among the possible consequences of these projects (no matter what else is eventually taken into account).

Before I move to other issues (away from the directly economic rewards of cultural investments, such as tourism), it is perhaps worthwhile to point out that there are immense differences in the world in the development of facilities for travel and tourism. The promotion of these facilities for economic reasons certainly deserves attention especially in those countries in which there is much room for improvement in these fields. These direct economic benefits are additional to whatever directly cultural benefits may come from more contacts and interactions.

#### Cultural Foundations of Behaviour

I turn now to cultural influences on behaviour and their contribution to the process of economic and social development. It is hard to ignore the fact that people's behaviour pattern varies between different regions and with distinct cultural backgrounds. It is natural to ask to what extent these variations are important for development analysis in general and economic development in particular. Are there significant influences of cultural traditions and behavioural norms on economic success and achievement?

This is a subject in which much interest has been taken by sociologists and historians as well as economists. Some have even

presented theories of very considerable ambition in this field. Indeed, Max Weber, the great sociologist, developed a major thesis on the crucial role of Protestant ethics in the successful development of a capitalist industrial economy.<sup>2</sup>

Weberian analysis of the role of values in the emergence of capitalism is of considerable interest in the contemporary world, particularly in the light of the recent success of market economies in non-Protestant and even non-Christian societies. In fact, in sharp contrast with Max Weber's analysis of protestant ethics, many writers in present-day Asia emphasize the role of Confucian ethics in the success of industrial and economic progress in east Asia. Indeed, there have been several different theories seeking explanation of the high performance of east Asian economies in terms of values that are traditional in that region. It is interesting to ask whether values really do play such important roles, and if so, how. Are we, for example, seeing in Asia today the consequences of a value system that has some real advantages over traditional Western morals? Have the ancient teachings of Confucius paved the way for great entrepreneurial success in modern times?

I shall come back to this rather general question, but before that I want to discuss briefly the extremely interesting case of Japanese culture and values and their contribution to Japanese economic success.

Japanese Culture and Value Systems

It is hard to deny that the combination of behavioural norms with practical business has certainly played a major part in Japan's astonishing economic success, which has transformed a backward economy into one of the most prosperous nations in the world in less than a century.<sup>3</sup> Japan revolutionized the understanding of the behavioural roots of economic progress by demonstrating the lack of generality in the dominant - and much championed - earlier theory (expounded by Max Weber and Richard Tawney) that the austere and somewhat unforgiving morality of "protestant ethics," including its self-righteous ego-centrism, provided the most effective way (perhaps even the only assured way) of achieving economic progress. Japan tried to do it differently and did this exceedingly well. It drew on a different class of moral values in economic operations which emphasized group responsibility, company loyalty, interpersonal trust and implicit contracts that bind individual conduct. There seems to be considerable evidence that the use of these values was quite important in Japan's spectacular achievements and rapid elevation to economic pre-eminence in the world.

Different social and economic analysts have given different causal accounts of the development of these behavioural features. Michio Morishima traced the roots of "the Japanese ethos" to the special history of its feudal system.<sup>4</sup> Ronald Dore emphasized the contribution of "Confucian ethics."<sup>5</sup> Eiko Ikegami focused on the

influence of the "Samurai code of honour."<sup>6</sup> Masahiko Aoki linked the behavioural developments to game-theoretic interactions that built constructively on prevailing values.<sup>7</sup> All these different - and to some extent competing - explanations of Japanese business ethics deserve attention, but the special nature of that ethics is the first point to make, no matter how that is supplemented by an explanation of the origin, emergence and development of that special ethics.

To these discussions, Kenzaburo Oe, the Japanese novelist and visionary writer (who won the Nobel Prize in literature in 1994) has added an extremely important causal perspective namely the contribution of education and pedagogy.<sup>8</sup> The nature of education cannot but have been important to the special characteristics of Japanese values. The process of value formation, it appears, received considerable support from the tradition fostered by educational institutions like "Kaitokudo," initially set up by the some merchants of Osaka because of their scepticism of the Tokugawa arrangements for state-sponsored education. Whatever the causation, the manifest quality of more cooperative values, based firmly on trust, served Japan well in its period of breakthrough and of rapid emergence as a world leader.

The issue of business ethics is important also for a clearer understanding - on the other side - of Japan's current difficulties, which have gone on for several years now. The primary focus of these problems is in the financial sector,

especially in Japanese banking, but it has badly affected Japanese economy in general. Given Japan's past success, we can well ask: how come we have such tension now? Several Japanese writers have drawn attention to the role of "moral hazard" in the corruption and inefficiency of the Japanese banking system, and there is undoubtedly some truth in that line of reasoning. And yet we have to ask, if moral hazard is so important now, where was it earlier? Why has it now suddenly arisen? Why this change? Or is it really a change, rather than an altered perception of the nature of an unchanging business world? Or can it be that what has changed is not just the perception, but also the actual importance of - and the social penalty from - moral hazard in the economy? If so, why? And what - we must also ask - has happened to the "Japanese ethos," "Confucian ethics," "Samurai codes," and other sundry behavioural virtues that were given credit for Japan's earlier achievements? There is something to be explained here.

I would argue that maybe Japanese values have changed only a little, but the same ethical values have very different pay-offs and penalties in a substantially altered world. When an economy is proceeding full speed ahead, constantly breaking new ground, overtaking older economies with a longer history of modernity, and so on, coordination and cooperation are extremely important. And the penalty of taking risks - sometimes even very serious risks - may be relatively modest in comparison with the advantages of widely and swiftly extending the horizon of business and industry.



Things are very different now when Japan is situated at the top, and has to worry about consolidating that position.

We live now in an intensely competitive new world order, (1) in which more than a dozen newly industrializing countries are trying to do today what Japan did earlier, (2) where technical progress is fast and rapidly mobile across borders, (3) where the old economies of North America and Europe have been reshaping their industrial structure with more room for competition, and (4) where developments in information technology - even in some very low wage economies - have dramatically extended the potential reach of competition. As a result, the benefits of encouraging competition and its discipline have become much more important than ever before.<sup>9</sup> Japan's old value system still has its usefulness, but there is some need even for the more modern virtues of open competition.

#### Important Lessons of the Japanese Experience

This brief discussion of the role of Japanese culture and values suggests, I believe, a number of possibly relevant considerations. First, the different behavioural explanations that invoke a variety of influences on the culture of Japanese conduct - varying from feudal norms to Samurai codes and educational initiatives such as Kaitokudo - draw our attention powerfully to the fact that values are not immutable and must not be taken to be simply "given." If values can be explained by general, social

characteristics, they can also be influenced through varying the same characteristics.

Second, the identification of the special features of Japan has regional characteristics that are far less extensive than what is involved in the grand contrast between Asian and Western values. In order to give any substantive content to regional variations, we need to be concerned with particular features which can scarcely be constant over very broad regions, such as Asia (or even east Asia), or the West (or even Western Europe). Even though the invoking of the power of so-called "Asian values" is often done in conjunction with noting the strength of "Japanese ethos," the two are in real tension with each other. The thesis of Japanese specialness clashes with - rather than supporting - the regionally more extended theory of Asian values, because the geographic domain of their coverage are so different. The Samurai, for example, may do much for Japan, but it is unlikely to have done a great deal for China.

Third, there is also some evidence here that the same values and cultural norms can be extremely successful at one phase of development, but less so at another. What we have to look at is not the general excellence of one set of values over all others, but the specific fit of particular values with the nature of the problems that are faced in a given - but parametrically variable - situation. The contingent nature of the contribution that values make is important to seize.

Grand Generalizations and Their Limitations

In assessing the cultural influences on values, behaviour and performance, we have to avoid both the insular thesis that culture makes no real difference and the over-grand theories that allegedly explain the major contrasts in economic, political and social performance across the world entirely - or mainly - in terms of cultural differences. In denying the former - the insularity - we have to be careful not to fall straight into the majestic lap of the latter. The well-known and much championed Weberian thesis about Protestant ethics, the lofty claims in favour of the power of Asian values, and so on, all belong to the category of truly grand theories - exalted but possible quite false.

Historically, the grand theories seem to have been nearly always one step behind the world they have tried to explain. Just when there was widespread acknowledgement of - and admiration for - Max Weber's and Richard Tawney's claim that it is Protestant ethics that made all the difference and gave a great edge to the development of capitalism in countries like Britain, it became clear that many of the Catholic countries, including France and Italy, were doing rather better than the Protestant ones, including Britain. The thesis had then to be adapted to include Christianity in all forms, focusing generally on European civilization and the role of Christian ethics.

Next, just when that Eurocentric view received wide approval, Japan emerged as the fastest grower in the world. The exercise in

Eurocentrism had then to be adapted further to include Japan in the world of privileged cultures. Specifically Japanese norms, traditions and values - from the martial Samurai heritage to its family-centred business traditions - began getting very special and favourable attention.

But then other things happened. Some Asian countries and regions other than Japan - South Korea, Taiwan, Hong Kong, Singapore - started doing very well, and the identification of Asian successes had to be extended to them too. So the Samurai had to give way, at least partially, to shared traditions on the eastern edge of Asia. This adaptation had to be extended when China itself becoming a country with very fast economic growth, with a rapid transformation of its economy and society. Now the prevailing theses had to move further, concentrating on the special virtues of Confucianism - the cultural tie that binds China and Japan and much of east Asia - and often this was taken to be the essence of the so-called "Asian values."

However, just when Confucianism was given its pre-eminent position, Thailand started forging ahead at remarkable speed and became the fastest growing economy in the world league. Thailand's cultural background is, of course, Buddhist rather than Confucian. Japan too has had much Buddhism in its past (as has China and Korea as well), and by now the earlier Confucius-centred theory seemed due for revision to something more widely and inclusively "Asian."

The dissonance does not, however, end there, since the growth

rates of Indonesia and Malaysia have been fast too, and the recent growth trends in India have also been rapid enough, in world standards, particularly for economic expansion related to information technology. These performances have called for co-opting the rather different historical backgrounds of these countries into the story. It is, in fact, always easy to dust up past cultural history to provide explanation of newly emerging facts, and not surprising there are many references now to India's long tradition of business, accounting and mathematics, which is supposed to translate easily into its success in the internet and computer programming. Cultural theory may be one step behind the world, but it has an amazing ability to get up, dust down and look unruffled.

#### Values, Institutions and Culture

Cultural grand theories seem to work best by opportunistic adaptations to newly observed facts. This seems to have been the case right from the days of Max Weber's magnificent theories to the present attempts at comparable generalizations based on identifying simple patterns in selected assemblies of cultural observations. This is an important issue since the need for taking note of cultural influences on development make us - for very good reason - receptive to cultural theories and their attempts to explain the world. If we want to pay serious attention to cultural influences on economic performance in general and business behaviour in

particular, a certain amount of scepticism of lofty theories may not be improper.

And yet the justified scepticism of cultural grand theory does not give us enough reason to reject altogether the manifest influence of culture on human behaviour. For example, the development of business morality is one of the major challenges that developing countries face in early industrialization. The development of capitalist values, which includes contractual reliability, trustworthiness, pride in quality control, and other such virtues useful for industry and commerce can scarcely fail to be central to the success of this system.

The extent of corruption also varies sharply between different countries and different financial cultures, and this can make a profound difference to economic performance.<sup>10</sup> The spread of rampant corruption in the process of planned transition of ex-socialist economies like Russia and eastern Europe into market capitalism illustrates the importance of certain modes of conduct that may be standard in advanced capitalist economies, but which do not instantly emerge on order. Furthermore, corruption may go hand in hand with violent crime, as experiences in Russia and even Southern Italy illustrate. If mutual trust in business relations do not exist, and if contractual obligations are frequently flouted, the need for organized enforcement becomes strong, and if the state cannot provide this, that role can be taken over by strong-armed men at a price to be determined. The need to have

violent enforcement of contractual obligations, which is part of the reason for the growth of Mafia-like criminal organizations in Russia, not to mention Italy, reflect not only the failure of the state to provide an adequate institutional support for economic activities, but also the absence of standard business values that may be taken for granted in well-developed capitalist economies.

Indeed, the Mafia in Italy draws on a variety of valuational and institutional underdevelopment in parts of the country, and these connections have recently received considerable attention, especially in the context of the attempts to eradicate the hold of the Mafia.<sup>11</sup> While the Mafia is a detestable organization, we have to understand the economic basis of the influence of the Mafia by supplementing the recognition of the power of guns and bombs with an understanding of some of the economic activities that make the Mafia a functionally relevant part of the economy. That functional attraction would cease as and when the combined influence of legal enforcement of contracts and behavioural conformity related to mutual trust and normative codes makes the Mafia's role in this field quite redundant. There is a general connection between the limited emergence of business norms and the hold of organized crime in such economies.

The tendency towards corruption which is widely observed both in "transitional" economies and in "developing" ones draw attention to the importance of elementary behaviour norms that are standard in many economies but not in others. The emergence of these norms

and social practices can have a crucial role in successful transition or development. There are also other - in some ways more sophisticated - values that are important for other parts of economic success, such as the protection of the environment, public acceptance of social safety nets, social unacceptability of excessive unemployment, and so on. There are, of course, many factors other than values involved in fighting these social ailments, but value differences can play a significant part in good and bad performance in addressing each of these problems. Values have a clear connection with the nature of many accomplishments, varying from such simple matters as the prevention of litter on the street or the use of adequate recycling of waste material, to more complex achievements such as providing enough community support to the economically disadvantaged and the elimination of economic and social exclusion and isolation.<sup>12</sup>

Here again it is important to emphasize the possibility of variation over time (and thus the role of learning), the contingent relevance of different behavioural norms (depending on the problems that have to be addressed), and the need to see these connections in terms of particular relations rather than as subjects of grand generalization that identify some general cultural features as being quintessentially and generically "the best." Cultural connections call for adequate attention being paid to variability, contingency and particularity.



### Furtherance of Cultural Ends

I move now from the role of culture as means and instruments to its role as part of the ends of development. If development is seen not just as growth of GNP (or as increases in some other inanimate objects of convenience), but more broadly, as an enhancement of the freedom and well-being of people, then cultural issues can figure among the ends of development as well as among its means. It is, in particular, important to take note of the impact of economic and social development on established culture.

On the positive side, development efforts, including economic expansion, can be integrated with programmes for supporting and helping the dissemination of indigenous cultural expressions, for example the expansion of traditional music and dancing. These too are cultural investments, but these activities may be aimed primarily at cultural objectives, as opposed to generating incomes. There is, of course, nothing contradictory in pursuing several objectives simultaneously. Indeed, spread of cultural contacts - between different countries as well as within them - through films, paintings, music, dancing, etc., can expand cultural opportunities and also provide income and employment to many.

### History and Tolerance

Another constructive possibility is the furtherance of a clearer and broader understanding of a country's or community's past through systematic exploration of cultural history, For

example, by supporting historical excavations, explorations and related research, development programmes can help to facilitate a fuller appreciation of the breadth - and internal variations within - particular cultures and traditions. This can help to offset some of the more restrictive influences of narrow interpretations of a country's past (often induced by the tactics of modern politics).

Let me illustrate the different considerations involved by briefly discussing one concrete example. The ruins of the ancient Buddhist university of Nalanda in India has been only partially explored so far. This centre of education which came to its end about the time when Oxford University was being founded, after having flourished for many hundreds of years, and which had attracted scholars from abroad as well as within India (Hsuan Tsang from China in the 7th century was one of the most prominent alumnus of Nalanda). Given the archaeological sites in Nalanda and around (including at Rajgir which is strongly associated with Buddha's own life), and the contemporary historical accounts that exist about Nalanda, this could be a major centre of tourism. Some visitors mostly Japanese already go there, but the tourist in and around Nalanda and Rajgir are still extremely limited compared with its promise. Tourism in that region can be vastly expanded if the excavations are completed and convenient transport and accommodation facilities are instituted, along with arrangements for security. What will be the benefits from this? First, as a centre of tourism this could generate considerable income and

related local commerce. Second, since this is now one of the poorest parts of India, the local beneficiaries will be among the most needy in the country, so that the distributional effects could be very positive. Third, since Buddhist scholarship and intellectual heritage are parts of India's rich but neglected past, a greater knowledge and understanding of this history can be seen to be culturally important.

But, last but not least, in making clear the diversity of Indian history, including its very extensive Buddhist past, Nalanda can also help to challenge the narrow reading of India as just a Hindu country and contribute to clarifying India's multireligious past, which was reinforced by the arrival of Christianity and Judaism and of course, later on, by the extensive presence of Islam and the emergence of the Sikh religion. Furthermore, since Nalanda did receive patronage from Hindu kings as well (particularly from the Gupta emperors), the exploration of the history of Nalanda can also help to throw light on a tradition of tolerance of other religions in India which seems to be severely under strain at this time. That strain not only leads to political unrest, but also deflects attention from the common cause of removing poverty and achieving economic and social prosperity. So there are possible economic returns and political and social rewards as well as civilizational gains that can follow from a cultural project of this kind. There is room for many objectives which can be concurrently pursued in developmental efforts.

Globalization and Loss of Indigenous Cultures

Along with constructive cultural opportunities generated by economic development, we also have to consider its negative and even destructive influences. Globalization receives some understandable criticism in this context. Given the constant cultural bombardment that tends to come from the Western metropolis (varying from MTV to Kentucky Fried Chicken), there are genuine fears that native traditions may get drowned in that loud din.

Threats to older native cultures in the globalizing world of today are, to a considerable extent, inescapable. It is not, of course, easy to solve the problem by stopping globalization of trade and commerce, since the forces of economic exchange and division of labour are hard to resist in an interacting world. Globalization does, of course, raise other problems as well, and its distributional consequences have received much criticism recently. On the other hand, it is hard to deny that global trade and commerce can bring with it - as Adam Smith foresaw - greater economic prosperity for each nation. The challenging task is to get the benefits of globalization on a more shared basis. While that primarily economic question need not detain us here (which I have tried to discuss elsewhere),<sup>13</sup> there is a related question in the field of culture, to wit, how to increase the real options - the substantive freedoms - that people have, by providing support for cultural traditions that they may want to preserve. This cannot but be an important concern in any development effort that

brings about radical changes in the ways of living of people.

### Social Choice and Democracy

In dealing with this difficult question, we cannot assume that conflicting considerations are not involved. For example, there may be some tussle between economic modernity and cultural traditionalism, each of which may be valued by different people differently. There can also be differences of priorities within the field of culture itself; some are happy enough with global influences, whereas others resent their massive impact. Also, the reading of indigenous culture is often deeply swayed by the views of the upper classes, and what appears to be a valuable traditional practice by some may be viewed by others - occupying less privileged position within the tradition - as an outgrowth of oppression and inequity. These conflicts make the decisions rather hard social choice question, given differences in priorities and assessments.

Ultimately, in a democratic framework, the citizens have to decide how to assess possible cultural changes and ways of influencing them, taking note of the diversity of concerns. There are issues of popular preferences as well as of individual liberty implicit in these difficult choices. My purpose here is not to suggest some mechanical formula for resolving these disputes, but to identify the need to address this question within a democratic framework of conflict-inclusive social decisions. The ways of

dealing with conflicts are not radically different here from what they are in matters of, say, economic conflicts (for example, in determining the priorities between aggregate growth and distributional effects). But the cultural aspects have to be woven into the integrative exercise. Cultural correlates of development have to be seriously considered, no matter how we proceed to deal with the manifest conflicts involved.

There is no compulsion to preserve departing life styles at heavy cost, but there is a need - for social justice - for people to be able to take part in these social decisions, if they so choose. This gives further reason for attaching importance to such elementary capabilities as reading and writing (through basic education), being well-informed and well-briefed (through a free media), and having realistic chances of participating freely (through elections, referendums and the general use of civil rights). Human rights in the broadest sense are involved in this exercise as well.

#### A Concluding Remark

To conclude, culture interacts with development in many different ways. It is involved in both the ends and the means of development. But the acknowledgement of the importance of culture should not <sup>x</sup> translated instantly into <sup>to</sup> ready-made theories of what works, what needs to be cultivated and what must be preserved. There are complex epistemic issues involved in identifying the ways

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in which culture may or may not influence development, and also  
deeply ethical and political issue of <sup>the</sup> social choice involved in  
accommodating diverse concerns. ↙ )

Indeed, even the values that are associated with economic development can be interpreted in quite different ways, and may require more than simple admonitions to cultivate this or eschew that. Let me end by illustrating this point with the role of human behaviour and its development consequences. I considered earlier the claims and counterclaims about the cultural determinants of behaviour - varying from Protestant ethics to Asian values - and their contribution to the development process. There is, however, a more basic question that can be asked: whether the pursuit of business is not in itself a culturally impoverishing occurrence. That point of view has found some expression in literature, in poetry in particular, and while it would be far too difficult here to go into the reasoning behind that subversive thesis, I note that this is an issue that has bothered people, even if it is decided not to take much note of it in development analysis. In particular, whether the "market culture" is not in itself an alienating phenomenon is a matter of relevance, though hardly an easy subject to incorporate into development analysis.

There have, however, also been arguments on the other side, claiming that the culture of market improves human beings in relation to others. Indeed, one of the earliest - and as it happens also one of the most strongly argued - defences of the market

economy was based precisely on the culture of human behaviour. Indeed, as Albert Hirschman has discussed in his marvellous book Passions and Interests,<sup>14</sup> the early intellectual case for capitalism had rested on the belief that "it would activate some benign human proclivities at the expense of some malignant ones." This thesis cannot but appear to be somewhat unfamiliar today and it is interesting to think that it was powerfully presented by such cultural defenders of early capitalism as Montesquieu and James Stewart.

As Albert Hirschman explains, the basic idea is one of compelling simplicity. I can perhaps illustrate the argument with an analogy (in a classic Hollywood genre). You are being chased by murderous bigots who passionately dislike something about you - the colour of your skin, the look of your nose, the nature of your faith, or whatever. As they catch up with you (for zealots can run very fast), you throw some money around as you try to flee. Now something wonderful happens. Each of them gets down to the serious business of individually collecting the bank notes, rather than continuing their murderous chase. As you escape to safety, you may be impressed by your own good luck that the thugs have such benign self-interest. This is indeed the basis of the claim that self-interest keeps you from harming others. Indeed, it is not entirely implausible to think that some actions of racial hatred or religious zealotry would be prevented if the racist thugs or religious murderers were to try to make some money instead. No



matter what we think of the reach of the argument, there is clearly some need to consider the relation between business behaviour and behaviour of other kinds, which may help or harm others.

As it happens, the example of throwing money to thugs to deflect them from their singleminded thuggery is the obverse of the point made by Jerry Rubin when they tossed dollar bills from the balcony of the New York Stock Exchange. You may remember that Jerry Rubin and his so-called "co-conspirators" had achieved some success in undermining the diabolic life of the House Un-American Activities Committee by appearing there in fancy dress, which disrupted the dignity of that august committee. In this somewhat neglected part of the history of the New York Stock Exchange, Rubin and his friends were in the happy position to add injury to insult by giggling while stock brokers suspended all trading to scramble to collect unearned money.

Rubin was making a different point here from the one that engaged Montesquieu and James Stewart. Rubin was concerned, I take it, with the greed that the capitalist system generates, whereas Montesquieu was arguing that this greed could actually take people away from nasty deeds. It is, of course, possible that both Rubin and Montesquieu are right - their views are certainly consistent with each other. There is need to see the consequences of business pursuit over a very broad canvas, since the culture of business has implications that go far beyond business. Indeed, the reach of culture pervades every aspect of what we call development.

NOTES

1. Amartya Sen, Development as Freedom (New York: Knopf, and Oxford: Oxford University Press, 1999).
2. Max Weber, Protestant ethic and the Spirit of Capitalism (1904-5).
3. The discussion that follows draws on my correspondence with Kenzaburo Oe, the great Japanese novelist and social critic, published in Asahi Shimbun, with two rounds of interchange, in late 2000. It also draws on my essay "Business Ethics and Economic Success," presented at the Ambrosetti Forum on "Business Ethics in the New Millennium," in collaboration with Young Entrepreneurs of Prato, on 27 September 2000.
4. Michio Morishima, Why Has Japan 'Succeeded'? Western Technology and Japanese Ethos (Cambridge: Cambridge University Press, 1982).
5. Ronald Dore, Taking Japan Seriously: A Confucian Perspective on Leading Economic Issues (Stanford: Stanford University Press, 1987).
6. Eiko Ikegami, The Taming of the Samurai: Honorific Individualism and the Making of Modern Japan (Cambridge, MA: Harvard University Press, 1995).
7. Masahiko Aoki, Information, Incentive and Bargaining in the Japanese Economy (Cambridge; Cambridge University Press, 1989).
8. This is presented in his first letter in the exchange in Asahi Simbhun, October 2000.
9. Kotaro Suzumura has investigated - both generally and in the context of Japan - the contributions of combining commitment with a competitive atmosphere, using both a flourishing market economy and an activist state (Competition, Commitment and Welfare, Oxford: Clarendon Press, 1995).
10. See Hussein Alatas, The Sociology of Corruption (Singapore: Times Books, 1980); Robert Klitgaard, Controlling Corruption (Berkeley: University of Californian Press, 1988); among other contributions.
11. See Camera dei Deputati, Economica e Criminalita (Report of the Italian Parliament's Anti-Mafia Commission), edited by Luciano Violante (Roma: Camera dei Deputati, 1993). I have discussed some of these issues in my paper in this collection, "On Corruption and

Organized Crime."

12. See the collection of papers and particularly the editorial introduction in Stefano Zamagni, ed., The Economics of Altruism (Aldershot: Elgar, 1995); Daniel Hausman and Michael S. McPherson, Economic Analysis and Moral Philosophy (Cambridge: Cambridge University Press, 1996); Avner Ben-Ner and Louis Putterman, eds., Economics, Values and Organization (Cambridge: Cambridge University Press, 1998).

13. In Development as Freedom (1999), and also in "Global Doubts," Harvard Magazine, September-October 2000, and "Globalization and Its Discontents," keynote address at the Annual Bank Conference on Development Economics in Paris, June 2000.

14. Albert Hirschman, Passions and Interests (Princeton: Princeton University Press, new edition, 1996).