

The
Wealth and Poverty
of Nations

*Why Some Are So Rich
and Some So Poor*

DAVID S. LANDES

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Introduction



No new light has been thrown on the reason why poor countries are poor and rich countries are rich.

—PAUL SAMUELSON, in 1976¹

In June of 1836, Nathan Rothschild left London for Frankfurt to attend the wedding of his son Lionel to his niece (Lionel's cousin Charlotte), and to discuss with his brothers the entry of Nathan's children into the family business. Nathan was probably the richest man in the world, at least in liquid assets. He could, needless to say, afford whatever he pleased.

Then fifty-nine years old, Nathan was in good health if somewhat portly, a bundle of energy, untiring in his devotion to work and indisputable of temperament. When he left London, however, he was suffering from an inflammation on his lower back, toward the base of his spine. (A German physician diagnosed it as a boil, but it may have been an abscess.)² In spite of medical treatment, this festered and grew painful. No matter: Nathan got up from his sickbed and attended the wedding. Had he been bedridden, the wedding would have been celebrated in the hotel. For all his suffering, Nathan continued to deal with business matters, with his wife taking dictation. Meanwhile the great Dr. Travers was summoned from London, and when he could not cure the problem, a leading German surgeon was called in, presumably to open and clean the wound. Nothing availed; the poison

spread; and on 28 July 1836, Nathan died. We are told that the Rothschild pigeon post took the message back to London: *Il est mort*.

Nathan Rothschild died probably of staphylococcus or streptococcus septicemia—what used to be called blood poisoning. In the absence of more detailed information, it is hard to say whether the boil (abscess) killed him or secondary contamination from the surgeons' knives. This was before the germ theory existed, hence before any notion of the importance of cleanliness. No bactericides then, much less antibiotics. And so the man who could buy anything died, of a routine infection easily cured today for anyone who could find his way to a doctor or a hospital, even a pharmacy.

Medicine has made enormous strides since Nathan Rothschild's time. But better, more efficacious medicine—the treatment of illness and repair of injury—is only part of the story. Much of the increased life expectancy of these years has come from gains in prevention, cleaner living rather than better medicine. Clean water and expeditious waste removal, plus improvements in personal cleanliness, have made all the difference. For a long time the great killer was gastrointestinal infection, transmitted from waste to hands to food to digestive tract; and this unseen but deadly enemy, ever present, was reinforced from time to time by epidemic microbes such as the *vibrio* of cholera. The best avenue of transmission was the common privy, where contact with wastes was fostered by want of paper for cleaning and lack of washable underclothing. Who lives in unwashed woolens—and woolens do not wash well—will itch and scratch. So hands were dirty, and the great mistake was failure to wash before eating. This was why those religious groups that prescribed washing—the Jews, the Muslims—had lower disease and death rates; which did not always count to their advantage. People were easily persuaded that if fewer Jews died, it was because they had poisoned Christian wells.

The answer was found, not in changed religious belief or doctrine, but in industrial innovation. The principal product of the new technology that we know as the Industrial Revolution was cheap, washable cotton; and along with it mass-produced soap made of vegetable oils. For the first time, the common man could afford underwear, once known as body linen because that was the washable fabric that the well-to-do wore next to their skin. He (or she) could wash with soap and even bathe, although too much bathing was seen as a sign of dirtiness. Why would clean people have to wash so often? No matter. Personal hygiene changed drastically, so that commoners of the late

nineteenth and early twentieth century often lived cleaner than the kings and queens of a century earlier.

The third element in the decline of disease and death was better nutrition. This owed much to increases in food supply, even more to better and faster transport. Famines, often the product of local shortages, became rarer; diet grew more varied and richer in animal protein. These changes translated among other things into taller, stronger populations. This was a much slower process than those medical and hygienic gains that could be instituted from above, in large part because they depended on habit and taste as well as income. As late as World War I, British soldiers who fought the Turkish expeditionary force at Gallipoli were struck by the difference in height between the steak- and mutton-eating troops from Australia and New Zealand and the stunted youth of the British mill towns. And anyone who follows immigrant populations from poor countries into rich will note that the children are taller and stronger than their parents.

From these improvements, life expectancy has shot up, while the differences between rich and poor have narrowed. The major causes of death are no longer infection, especially gastrointestinal infection, but rather the wasting ailments of old age. These gains have been greatest in rich industrial nations with medical care for all, but even poorer countries have achieved impressive results.

Advances in medicine and hygiene exemplify a much larger phenomenon: the gains from the application of knowledge and science to human biology. These give us reason to be hopeful about the problems that cloud present and future. They even encourage us toward fantasies of eternal life or, better yet, eternal youth.

But these fantasies, when science-based, that is, based on reality, are the dreams of the rich and fortunate. Gains to knowledge have not been evenly distributed, even within rich nations. We live in a world of inequality and diversity. This world is divided roughly into three kinds of nations: those that spend lots of money to keep their weight down; those whose people eat to live; and those whose people don't know where the next meal is coming from. Along with these differences go sharp contrasts in disease rates and life expectancy. The people of the rich nations worry about their old age, which gets ever longer. They exercise to stay fit, measure and fight cholesterol, while away the time watching television, telephone, and games, console themselves with such delusions as "the golden years" and the *troisième âge*. "Young" is no longer "old," disparaging and problematic. Meanwhile the people of

poor countries try to stay alive. They do not have to worry about cholesterol and fatty arteries, partly because of lean diet, partly because they die early. They try to ensure a secure old age, if old age there be, by having lots of children who will grow up with a proper sense of filial obligation.

The old division of the world into two power blocs, East and West, has subsided. Now the big challenge and threat is the gap in wealth and health that separates rich and poor. These are often styled North and South, because the division is geographic; but a more accurate signifier would be the West and the Rest, because the division is also historic. Here is the greatest single problem and danger facing the world of the Third Millennium. The only other worry that comes close is environmental deterioration, and the two are intimately connected, indeed are one. They are one because wealth entails not only consumption but also waste, not only production but also destruction. It is this waste and destruction, which has increased enormously with output and income, that threatens the space we live and move in.

How big is the gap between rich and poor and what is happening to it? Very roughly and briefly: the difference in income per head between the richest industrial nation, say Switzerland, and the poorest nonindustrial country, Mozambique, is about 400 to 1. Two hundred and fifty years ago, this gap between richest and poorest was perhaps 5 to 1, and the difference between Europe and, say, East or South Asia (China or India) was around 1.5 or 2 to 1.³

Is the gap still growing today? At the extremes, clearly yes. Some countries are not only *not* gaining; they are growing poorer, relatively and sometimes absolutely. Others are barely holding their own. Others are catching up. Our task (the rich countries), in our own interest as well as theirs, is to help the poor become healthier and wealthier. If we do not, they will seek to take what they cannot make; and if they cannot earn by exporting commodities, they will export people. In short, wealth is an irresistible magnet; and poverty is a potentially raging contaminant: it cannot be segregated, and our peace and prosperity depend in the long run on the well-being of others.

How shall the others do this? How do we help? This book will try to *contribute to* an answer. I emphasize the word "contribute." No one has a simple answer, and all proposals of panaceas are in a class with millenarian dreams.

I propose to approach these problems historically. I do so because I am a historian by training and temperament, and in difficult matters of this kind, it is best to do what one knows and does best. But I do so

Because the best way to understand a problem is to ask: How and why did we get where we are? How did the rich countries get so rich? Why are the poor countries so poor? Why did Europe (“the West”) take the lead in changing the world?

A purely historical approach does not ensure an answer. Others have thought about these matters and come up with diverse explanations. Some of these fall into one of two schools. Some see Western wealth and domination as the triumph of good over bad. The Europeans, they say, were smarter, better organized, harder working; the others were ignorant, arrogant, lazy, backward, superstitious. Others invert the categories: The Europeans, they say, were aggressive, ruthless, greedy, rapacious, hypocritical; their victims were happy, innocent, weak—helpless victims and hence thoroughly victimized. We shall see that both of these manichean visions have elements of truth, as well as of historical and logical fantasy. Things are always more complicated than we would like to think of them.

A third school would argue that the West-Rest dichotomy is simply misleading. In the large stream of world history, Europe is a latecomer and should be judged on the earlier achievements of others. That is patently incorrect. As the historical record shows, for the last thousand years, Europe (and the West) has been the prime mover of development and modernity. The question that still leaves the moral issue. Some would say that Eurocentrism is bad for us, indeed bad for the world, hence to be avoided. Those who say so should avoid it. As for me, I prefer truth to goodthink. I feel comfortable on my ground.