spouses. The savings plans held some participants to powerful social expectations, and gave others an excuse to defy them.

The schemes caused some surprising variations in behavior. Although the safe box and lockbox were similar in every way (other than access to deposits), the lockbox users were much slower to start depositing. In fact, the average balance in a lockbox after six months was about half that in a safe box, which is likely why so few lockbox owners met their savings goals. Perhaps they were hesitant to stash too much cash where they couldn't get ready access to it, the authors reason.

All but one of the techniques flopped for "present-biased" people, those who consistently choose instant gratification over long-term gains. Like enthusiastic Americans who buy gym memberships but rarely exercise, these folks (16 percent of the total group) had trouble following through with their savings plans. Only with a public commitment to making deposits in community pots two or three times monthly—and the strong social pressure that came with it—did they increase their savings at all. In these settings, the present-biased participants managed to put away about as much as the others over the course of a year, around $6.50 on average.

Dupas and Robinson don't claim to have solved the pandemic savings problem. After all, schemes that excel in one place may falter elsewhere. But their success in Kenya was not short-lived—two years after the study concluded, nearly half of the participants were still making use of the boxes, community pots, and health savings accounts, and a handful of volunteers had even inspired their neighbors to try them out. ■

THE 10,000-YEAR-OLD ECONOMY

THE SOURCE: "How Deep Are the Roots of Economic Development?" by Enrico Spolaore and Romain Wacziarg, in ***Journal of Economic Literature***, June 2013.

YOUR COUNTRY IS POOR, THE NEOLIBERAL economists tell the people of developing nations, because it's printing too much money, its markets are too heavily regulated, and its taxes are too high. Nonsense, reply their left-wing counterparts. Your country is poor because the government hasn't invested enough money in infrastructure and education, corruption is rampant, and the social safety net is weak.

While such diagnoses may differ in substance, they share an underlying premise: that poor countries lag behind

the advanced, industrialized economies of the West due to a failure of policies.

That assumption, say Enrico Spolaore and Romain Wacziarg, ignores "the limits faced by policymakers in significantly altering the wealth of nations when history casts a very long shadow." Writing in the *Journal of Economic Literature*, the two economists—from Tufts University and UCLA, respectively—survey a raft of new academic studies in which researchers aim "to better understand the deep causes of development, rooted in geography and history."

A warm climate and fertile soil make a good breeding ground for autocracy.

Jared Diamond introduced modern audiences to the idea of historical determinants for wealth in *Guns, Germs, and Steel* (1997). He asserted that Eurasia's geographic advantages, such as its diversity of animals and plants, helped its Neolithic inhabitants get a head start on agriculture, which led to Europe's eventual economic and technological success.

The findings of a 2005 study by economists Ola Olsson and Douglas Hibbs support Diamond's argument. In the "Old World"—Europe, Asia, and Africa—variables related to the prehistoric environment of a country (such as the climate, size of the continent, and number of plants and animals) account for 64 percent of the variance between different nations' current per capita incomes.

Geography, however, doesn't always play a direct role—sometimes its effects are more roundabout. Rugged, mountainous terrain isn't great for growing crops or conducting trade, but one study from 2007 found that such regions in Africa nonetheless reached higher levels of development. Why? Because historically, that same treacherous landscape protected certain areas from slave traders.

In the Americas, too, geographical variables didn't always play an obvious role. Latin America enjoyed a warm climate as well as fertile soil, and the Spanish reaped far more wealth from their New World colonies than the English and the French did from their colonies to the north. But the crops Spanish colonists were able to grow, including coffee, sugar cane, and tobacco, fostered plantation economies with slavery and entrenched, wealthy elites.

Meanwhile, in what would become the United States and Canada, small-scale crops and livestock encouraged a more equal distribution of income, which benefited the two countries' political development later on.

Other studies have shown that people matter more than institutions or locations. Many poorly endowed lands have experienced a "reversal of fortune" since 1500, producing more income per capita than their past would have suggested. Those economies benefited from the European colonizers and their human capital—a familiarity with centralized state institutions, efficient agriculture techniques, and new technologies that let one generation build upon the advances of the last.

Spolaore and Wacziarg are careful to note that while genetics play a role in a society's evolution, so do cultural forces, and the two are inextricably entwined—no set of genes is "better" than any other. One of the duo's earlier papers focused on the human transmission of advantageous technologies and ideas. They found that as the "relative genetic distance" between two countries grew, it took longer for innovations to pass from one to the other. Industrialists in the United States, for example, were quicker than their Russian counterparts to build upon the assembly line process invented in England. Sharing a common language and more recent ancestors probably helped.

Are nations therefore caught in the grip of an ancient, inexorable momentum, powerless to improve the livelihoods of their citizens? Of course not. European ancestry and an early transition to agriculture account for no more than 60 percent of the difference in wealth between various nations. Japan, for instance—a country as geographically, culturally, and genetically distinct from Western Europe as any you'll find—became an industrial, capitalist society before many Eurasian countries.

Globalization has made the spread of contemporary technology and ideas even easier, tearing down some of the old obstacles to development. "Historical variables do not explain all the variation in income per capita," Spolaore and Wacziarg remind us. "Barriers do matter," they say. But, they add, "barriers can also be overcome." ■