The Geographical Origins of the Tower of Babel: The Economic Causes and Consequences of Linguistic Structures

Oded Galor, Ömer Özak and Assaf Sarid

AEA Meeting, January 2016

Geographical Origins of the Tower of Babel

### • Geographic Origins of Culture

• Agricultural origin of time preference

- Agricultural origin of time preference
- Plow and gender attitudes

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- Persistence of cultural traits
  - Vertical (intergenerational) transmission
  - Reinforced by horizontal transmission

• Culture classified by language

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  - Cultural diversity  $\iff$  linguistic diversity

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  - Cultural diversity  $\iff$  linguistic diversity
  - Cultural distance  $\iff$  linguistic distance
  - Ethnic fractionalization  $\Longleftrightarrow$  linguistic fractionalization

## Research Agenda

Explore

• Causes and consequences of linguistic structures

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- Co-evolution of languages and the process of development

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  - Does linguistic structure affect the economy's future trajectory?

The presence of a future tense

Causes

- Causes
  - Geographical determinants

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- Causes
  - Geographical determinants
- Consequences
  - Contemporary economic outcomes at the individual level

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    - Partly reflects the effect of time preference

• Origins of future tense:

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  - Exogenous variation in the natural historical return to agricultural investment is associated with the existence of future tense

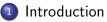
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- Consequences of the future tense:

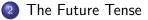
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    - Education

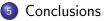
#### Structure of the presentation











#### The Future Tense

• Languages differ in the structure of the future tense

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  - Weak future tense

- Languages differ in the structure of the future tense
  - Strong future tense
    - Obligatory change in verb structure
  - Weak future tense
    - Absence or non-compulsory use of the future tense

# Example – Strong vs. Weak Future

- In English, no distinction between the two:
  - I am giving a talk at the moment.
  - I am giving a talk tomorrow.

# Example – Strong vs. Weak Future

- In English, no distinction between the two:
  - I am giving a talk at the moment.
  - I am giving a talk tomorrow.
- In Spanish, the distinction between today and tomorrow is clear:
  - Yo estoy dando una charla en este momento.
  - Yo daré una charla mañana.

One more?

Should existence of future tense and long-term orientation be related?

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Long-term orientation can be conducive to either

• Strong future tense

Should existence of future tense and long-term orientation be related?

Long-term orientation can be conducive to either

- Strong future tense
- Weak future tense

High LTO  $\implies$  strong future tense

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    - Extend range of meaning
      - Number of words for ice/snow among Eskimo-languages

High LTO  $\implies$  weak future tense

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• Long-term oriented individuals distinguish less between present and future

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- Long-term oriented individuals distinguish less between present and future
  - Lower discounting of future events

 $\mathsf{High}\ \mathsf{LTO} \Longrightarrow \mathsf{weak}\ \mathsf{future}\ \mathsf{tense}$ 

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  - Future Tense  $\approx$  Present tense
- Explanations (linguistics):
  - Efficiency
    - Structures that are most used disappear along time
      - Case structure in all daughter languages of Latin

#### Future and Present – Pretty Close...

"Even though the future seems far away, it is actually beginning right now."

- Mattie Stepanek

"The future starts today, not tomorrow."

- Pope John Paul II

#### Linguistic Data

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World Atlas of Language Structures (WALS)

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- The variation in the existence of future tense exists:
  - across and within language families
  - across and within all regions on the globe

# Future Tense in Different Regions in the World

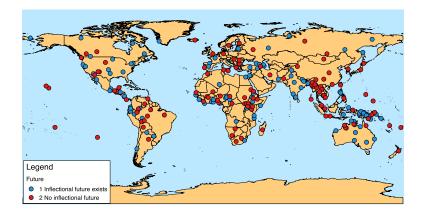
#### Table: Summary Statistics by Region

Region	Observations	Mean	Std. Dev.
Sub-Saharan Africa	44	0.455	0.504
Middle East and North Africa	7	0.429	0.535
Europe and Central Asia	27	0.519	0.509
South Asia	13	0.769	0.439
East Asia and Pacific	67	0.463	0.502
North America	21	0.619	0.498
Latin America	29	0.482	0.509
Total	208	0.505	0.501

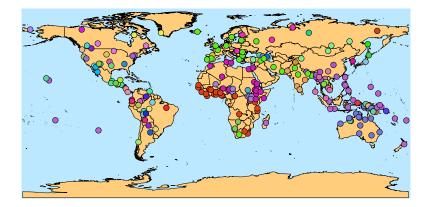
Future = 1, No Future = 0

#### Linguistic Data

### Global Distribution of the Presence of Future Tense



# Global Distribution of Language Families



Caloric Suitability Index (CSI)

• Potential caloric yield and growth cycles

- Potential caloric yield and growth cycles
  - Potential Crop Yield

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  - Potential Crop Yield
    - Calories per hectare per year of the most productive crop
  - Potential Crop Growth Cycles
    - Average of days elapsed from planting to harvesting for the most productive crop
- Reflecting early stages of development
- Unaffected by human intervention

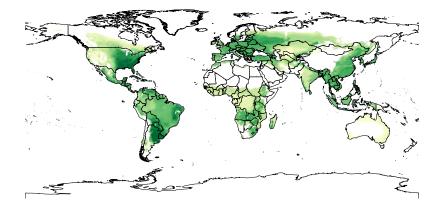
#### • Potential Crop Return

- Potential Crop Return
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 $Potential \ Crop \ Return = \frac{Potential \ Crop \ Yield}{Potential \ Crop \ Growth \ Cycle}$ 

## Potential Crop Return Pre-1500CE



# Identification Strategy

Potential Concerns:

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Remedy:

• Exploit variation in potential (rather than actual) return to agricultural investment

# Identification Strategy

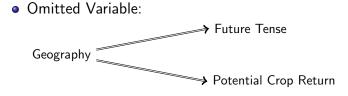
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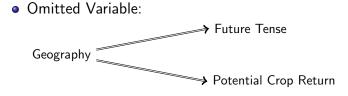
Potential Concerns:

• Omitted Variable:

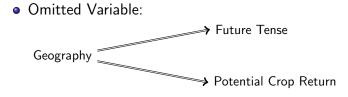
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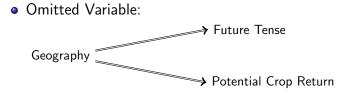


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Remedy:

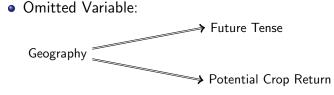
#### Potential Concerns:



Remedy:

• Account for the confounding effects of:

#### Potential Concerns:

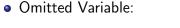


Remedy:

- Account for the confounding effects of:
  - Geographical characteristics

(e.g., absolute latitude, elevation, roughness, distance to waterways, etc.)

#### Potential Concerns:



Geography Potential Crop Return

Remedy:

- Account for the confounding effects of:
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(e.g., absolute latitude, elevation, roughness, distance to waterways, etc.)

Continental FEs

### **Empirical Specification**

#### *Future*<sub>*i*</sub> = $\beta_0 + \beta_1$ crop return<sub>*i*</sub> + $\beta_2 X_i + \delta_c \Delta_i + \epsilon_i$ ,

- $Future_i \equiv Existence$  of future tense in language i
- $X_i \equiv$  Geographical controls
- $\Delta_i \equiv \text{Continental FEs}$

## Pre-1500CE Crop Return and Future Tense ous

	Existence of Future Tense (Probit)										
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
Crop Return (pre-1500CE)	-0.07**	-0.10**	-0.10***	-0.10***	-0.10***	-0.09**	-0.09**	-0.10**	-0.09**	-0.12***	
,	(0.03)	(0.04)	(0.03)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	
Absolute Latitude			-0.13**	-0.13**	-0.13**	-0.10*	-0.11	-0.10	-0.15	-0.17	
			(0.06)	(0.06)	(0.06)	(0.06)	(0.07)	(0.07)	(0.12)	(0.12)	
Elevation				-0.02	-0.03	-0.04	-0.04	-0.02	-0.05	-0.04	
				(0.03)	(0.05)	(0.05)	(0.05)	(0.05)	(0.06)	(0.06)	
Ruggedness					0.02	0.01	0.02	0.00	0.02	0.03	
					(0.05)	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)	
Coast Length					. ,	-0.12**	-0.11**	-0.09**	-0.08**	-0.09**	
-						(0.05)	(0.05)	(0.04)	(0.04)	(0.04)	
Precipitation						. ,	-0.02	0.01	0.01	0.00	
							(0.05)	(0.08)	(0.08)	(0.08)	
Precipitation (std)							(,	-0.10***	-0.04	-0.04	
()								(0.04)	(0.06)	(0.06)	
Precipitation Volatility								0.03	0.01	0.01	
								(0.08)	(0.09)	(0.08)	
Precipitation Spatial Correlation								-0.02	-0.83**	-0.79**	
								(0.05)	(0.34)	(0.35)	
Temperature								(0.05)	-0.04	-0.03	
remperature									(0.08)	(0.08)	
Temperature (std)									-0.07	-0.07	
remperature (sta)									(0.05)	(0.05)	
Temperature Volatility									0.08	0.10	
remperature volatility									(0.10)	(0.10)	
Temperature Spatial Correlation									0.81**	0.77**	
Temperature Spatial Correlation									(0.34)	(0.35)	
Crop Winter (pre-1500CE)									(0.54)	-0.07*	
crop trainer (pre 1000CE)										(0.04)	
Continental FE	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Pseudo-R <sup>2</sup>	0.02	0.05	0.06	0.06	0.06	0.08	0.08	0.10	0.13	0.14	
Observations	208	208	208	208	208	208	208	208	208	208	

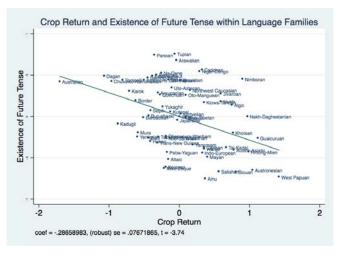
# Crop Return and Other Linguistic Structures

		Linguistic Structure									
	Temporal Structures			Non-Temporal Structures							
	Future	Past	Perfect	Gender	Possessive	Evidentiality	Consonants	Colors			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)			
Crop Return (pre-1500CE)	-0.12*** (0.04)	-0.06 (0.04)	0.06 (0.04)	0.04 (0.03)	-0.06 (0.04)	0.01 (0.03)	0.10 (0.06)	0.03 (0.36)			
All Geographic Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes			
Continental FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes			
Adjusted- $R^2$	0.08	0.08	0.18	0.19	0.14	0.21	0.31	-0.04			
Observations	208	208	208	233	216	377	515	113			

## Future Tense across Language Families

	Existence of Future Tense (median)								
		I	$\geq$ 2 Languages						
	(1)	(2)	(3)	(4)	(5)	(6)	(7)		
Crop Return (pre-1500CE)	-0.22***	-0.26***	-0.25***	-0.33***	-0.34***	-0.19**	-0.27**		
	(0.05)	(0.05)	(0.05)	(0.06)	(0.07)	(0.08)	(0.10)		
Continental FE	No	Yes	Yes	Yes	Yes	No	Yes		
Main Geographical Controls	No	No	Yes	Yes	Yes	Yes	Yes		
Precipitation Controls	No	No	No	Yes	Yes	No	No		
Temperature Controls	No	No	No	No	Yes	No	No		
Pseudo- $R^2$	0.12	0.18	0.21	0.26	0.46	0.10	0.25		
Observations	68	68	68	68	68	27	27		

### Language Family Analysis – contd.

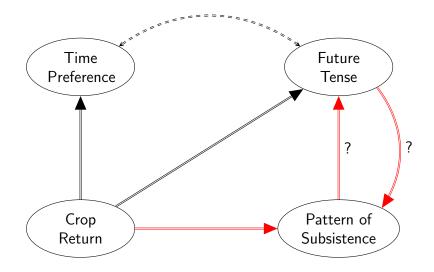


(a) All language families

Galor, Özak and Sarid

Geographical Origins of the Tower of Babel

#### Pre-1500CE Crop Return & Patterns of Subsistence



#### Return, Subsistence and

### Ethnographic Subsistence Patterns

• Ethnic groups' subsistence strategies

- Ethnic groups' subsistence strategies
  - Hunting

- Ethnic groups' subsistence strategies
  - Hunting
  - Gathering

- Ethnic groups' subsistence strategies
  - Hunting
  - Gathering
  - Fishing

- Ethnic groups' subsistence strategies
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  - $\bullet~{\sf Hunting}$  + Gathering  $\geq$  50% of subsistence

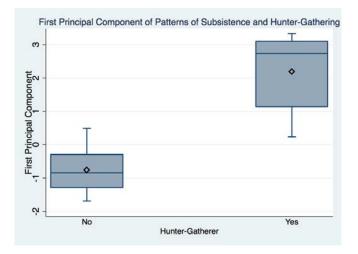
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  - $\bullet\,$  Animal husbandry + Agriculture  $\geq 50\%$  of subsistence

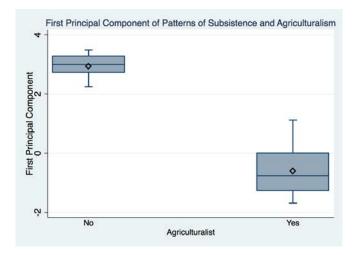
### Principal Components of Subsistence Pattern

		Principal Co	omponents	
	Component 1	Component 2	Component 3	Unexplained
Gathering	0.45	0.13	0.58	0.00
Hunting	0.53	0.18	0.11	0.00
Fishing	0.38	-0.42	-0.68	0.00
Animal Husbandry	-0.34	0.73	-0.30	0.00
Agriculture	-0.50	-0.49	0.32	0.00
Eigenvalues	2.40	1.19	0.87	
Proportion Variance	0.48	0.24	0.17	
Observations	209			

#### Hunter-Gatherers – High First PC



#### Agriculturalists – Low First PC



#### Pre-1500CE Crop Return & Patterns of Subsistence

	Patterns of Subsistence										
	A	gricultura	list	Н	unter-Gath	erer	First PC				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)		
Crop Return	0.09***	0.09***	0.10***	-0.03**	-0.06***	-0.10***	-0.33***	-0.40***	-0.51***		
(pre-1500CE)	(0.01)	(0.01)	(0.03)	(0.02)	(0.01)	(0.03)	(0.05)	(0.04)	(0.10)		
Continental FE	No	Yes	Yes	No	Yes	Yes	No	Yes	Yes		
All Geographic Controls	No	Yes	Yes	No	Yes	Yes	No	Yes	Yes		
Adjusted- $R^2$	0.04	0.56	0.46	0.00	0.54	0.42	0.03	0.63	0.59		
Observations	1288	1288	209	1288	1288	209	1288	1288	209		

#### Patterns of Subsistence and Future Tense

	Existence of Future Tense									
	OLS	IV	OLS	IV	OLS	IV	IV	IV	IV	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	
First Principal Component	0.06**	0.14**	0.05*	0.16*	0.05	0.20**	0.24***			
	(0.03)	(0.06)	(0.03)	(0.09)	(0.03)	(0.08)	(0.08)			
Agriculturalist								-1.25**		
								(0.52)		
Hunter Gatherer									1.25***	
									(0.45)	
Continental FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Main Geographical Controls	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Precipitation Controls	No	No	No	No	Yes	Yes	Yes	Yes	Yes	
Temperature Controls	No	No	No	No	Yes	Yes	Yes	Yes	Yes	
First-stage F-statistic		30.48		22.11		23.61	14.43	4.95	5.38	
Hansen's J-statistic							1.47	0.70	0.45	
J-stat p-value							0.23	0.40	0.50	
Adjusted- $R^2$	0.06	0.03	80.0	0.02	0.11	0.00	-0.06	-0.30	-0.47	
Observations	209	209	209	209	209	209	209	209	209	

Galor, Özak and Sarid

Geographical Origins of the Tower of Babel

• Explore whether language has a direct impact on

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  - Saving

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  - Within-country and within age-gender-group variation

### Crop Return, Future Tense and Savings

		Has the Family Saved Last Year											
	В	asic Conti	rols		Income			Education			Religion		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
Crop Return (pre-1500CE)	0.02*		0.02**	0.03***		0.03***	0.03***		0.03***	0.03***		0.03***	
	(0.01)		(0.01)	(0.01)		(0.01)	(0.01)		(0.01)	(0.01)		(0.01)	
Future Tense		-0.03***	-0.03***		-0.00	-0.01		0.00	-0.00		0.00	-0.00	
		(0.01)	(0.01)		(0.01)	(0.01)		(0.01)	(0.01)		(0.01)	(0.01)	
Main Geographical Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Country FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Wave FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Gender FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Age FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Income FE	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Education FE	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	
Religion FE	No	No	No	No	No	No	No	No	No	Yes	Yes	Yes	
Adjusted-R <sup>2</sup>	-0.02	-0.02	-0.02	0.07	0.07	0.07	0.08	0.08	0.08	0.08	80.0	80.0	
Observations	108213	108213	108213	108213	108213	108213	108213	108213	108213	108213	108213	108213	

### Crop Return, Future Tense and Education Level

	Education Level										
	В	asic Contr	ols		Income		Religion				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)		
Crop Return (pre-1500CE)	0.18***		0.23*** (0.04)	0.18***		0.23***	0.25***		0.28*** (0.04)		
Future Tense	()	-0.43*** (0.05)	-0.47*** (0.05)	( )	-0.40*** (0.05)	( )	()	-0.25*** (0.05)	-0.30*** (0.05)		
Religion FE	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes		
Income FE	No	No	No	No	No	No	Yes	Yes	Yes		
Main Geographical Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		
Country FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		
Wave FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		
Gender FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		
Age FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		
Adjusted- $R^2$	-0.01	-0.01	-0.01	-0.01	-0.01	-0.01	0.09	0.09	0.09		
Observations	108213	108213	108213	108213	108213	108213	108213	108213	108213		

• The likelihood of the presence of a future tense within a language reflects

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- The likelihood of the presence of a future tense within a language reflects
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- The existence of a future tense is associated with economic development reflecting
  - The association between future tense and economic outcomes

### The Geographical Origins of the Tower of Babel: The Economic Causes and Consequences of Linguistic Structures

#### Oded Galor, Ömer Özak and Assaf Sarid

AEA Meeting, January 2016

#### Basic Result – OLS (Back)

		Existence of Future Tense									
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
Crop Return	-0.07**	-0.10***	-0.10***	-0.10***	-0.10***	-0.10**	-0.10**	-0.10**	-0.10**	-0.12***	
(pre-1500CE)	(0.03)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	(0.04)	
Absolute Latitude			-0.13**	-0.13**	-0.13**	-0.10*	-0.12	-0.10	-0.17	-0.20	
			(0.06)	(0.06)	(0.06)	(0.06)	(0.07)	(0.07)	(0.13)	(0.13)	
Elevation				-0.02	-0.03	-0.04	-0.04	-0.02	-0.06	-0.06	
				(0.03)	(0.05)	(0.05)	(0.05)	(0.06)	(0.06)	(0.06)	
Ruggedness					0.02	0.01	0.02	0.00	0.03	0.03	
					(0.05)	(0.05)	(0.05)	(0.05)	(0.05)	(0.06)	
Coast Length						-0.08***	-0.07***	-0.07***	-0.06***	-0.06**	
						(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	
Precipitation							-0.02	0.02	0.02	0.00	
(mm/month)							(0.05)	(0.09)	(0.09)	(0.09)	
Precipitation								-0.10***	-0.04	-0.04	
(mm/month) (std)								(0.03)	(0.06)	(0.06)	
Precipitation								0.02	0.01	0.01	
Volatility								(0.09)	(0.09)	(0.09)	
Precipitation								-0.02	-0.86**	-0.84**	
Spatial Correlation								(0.05)	(0.37)	(0.38)	
Temperature (Daily									-0.06	-0.06	
Mean)									(0.09)	(0.09)	
Temperature (Daily									-0.07	-0.07	
Mean) (std)									(0.05)	(0.05)	
Temperature									0.09	0.12	
Volatility									(0.11)	(0.11)	
Temperature Spatial									0.84**	0.82**	
Correlation									(0.37)	(0.38)	
Crop Winter										-0.06	
(pre-1500CE)										(0.04)	
Continental FE	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Adjusted-R <sup>2</sup>	0.02	0.03	0.04	0.04	0.04	0.05	0.05	0.06	0.08	0.08	
Observations	208	208	208	208	208	208	208	208	208	208	

### Example – Strong vs. Weak Future

- In French, the distinction between today and tomorrow is clear:
  - II fait froid aujour d'hui.
  - Il fera froid demain.
- In German, no distinction between the two:
  - Heute ist es kalt.
  - Orgen ist es kalt.

#### Back