



CGEH Working Paper Series

Where do ideas come from?

Book production and patents in a global and temporal perspective

Aurelian Plopeanu, "Alexandru Ioan Cuza" University of Iasi

Peter Foldvari, Debrecen University

Bas van Leeuwen, Utrecht University

Jan Luiten van Zanden, Utrecht University

June 2012

Working paper no. 33

http://www.cgeh.nl/working-paper-series/

© 2012 by Authors. All rights reserved. Short sections of text, not to exceed two paragraphs, may be quoted without explicit permission provided that full credit, including © notice, is given to the source.

Where do ideas come from?

Book production and patents in a global and temporal perspective

Aurelian Plopeanu, "Alexandru Ioan Cuza" University of Iasi

Peter Foldvari, Debrecen University

Bas van Leeuwen, Utrecht University

Jan Luiten van Zanden, Utrecht University

Abstract

In this paper we try to establish the link between book production and the spread of "ideas" as proxied by patents. Two mechanisms may be distinguished. First, in the initial phase of economic development, the production of books may stimulate the accumulation of knowledge already present in society. After such an accumulation is complete, books may stimulate a common research focus within a certain geographic space. Applying this to the case of England, we find that books indeed had a significant on the number of patents during the second Industrial Revolution. However, when education became increasingly important, the role of books eventually broke down in the second half of the twentieth century. This pattern does not hold true for less developed regions where, due to the lack of efficient education, linguistic fragmentation, an overwhelmingly oral culture, and a structural different kind of knowledge, book production stagnated and no knowledge could be imported (for example via translated books).

Keywords: book production, patents, ideas, economic development, England, world

JEL Codes: I25, N10, O11, O31

Corresponding author: Bas van Leeuwen, <u>bas.vanleeuwen1@googlemail.com</u>

Acknowledgements: This paper was written with financial support from the project POSDRU/89/1.5/S/49944 – 'Dezvoltarea capacității de inovare și creșterea impactului cercetării prin programe post-doctorale' (Developing the Innovation Capacity and Improving the Impact of Research through Post-doctoral Programmes), funded through Programul Operațional Sectorial Dezvoltarea Resurselor Umane (Human Resources Development Operational Programme), in affiliation with "Alexandru Ioan Cuza" University of Iasi.

INTRODUCTION

The importance of ideas and knowledge for growth and development has been generally recognized (e.g., Romer 1990, 1993; Grossman and Helpman 1991; Eliasson 2001; Mokyr 2003, 2009, 2010; Klenow and Rodríguez-Clare 2005; Jones 2005; Jones and Romer 2010). Yet, this knowledge and these ideas also needed to be spread through society in order to have an effect. Ernst Curtius (1963) asserted that the use of 'artificial script', as the invention of printing was first referred to, created a complex system of transmitting tradition to present and future generations, i.e. permitting the accumulation of knowledge that had hitherto been transferred in largely oral (or single copy manuscript) form. Printing, as an urban invention, promoted an active accumulation of human capital and played an important role in the evolution of business practices (Febvre and Martin 1958; Eisenstein 1979; Hoock 2008).

Indeed, books may be considered a primary means of communicating ideas and knowledge. However, on the way in which books affect "ideas" and ultimately economic development is more discussion. For example, Baten and Van Zanden (2008) found a positive effect of book production on real wage growth. Their argument is that book production is a proxy for literacy. Using this basic relation, they find that the effect of book production on growth is very strong in the period up to 1800 in both Asia and Europe. Yet, since in much of Asia book production was much lower, this implies that per capita income was lower as well. However, many other studies argue for a broader relation between book production and human capital (and via human capital with "ideas"). For example, Dittmar (2011) considers that "between 1500 and 1800, European cities were seedbeds of the ideas, activities, and social groups that launched modern, capitalist economic growth ... (the) movable type print technologies had very substantial effects in European economic history through their impact on cities." Likewise, Buringh and Van Zanden (2009) argue that the number of printed books is a complex measure of economic performance and societal capabilities, and in this sense is a valuable guide to the study of long-term economic change. The production of books is therefore linked to a number of variables used in new growth theory, such as human capital and knowledge production (Romer 1990; Mokyr 1995; Weitzman 1998).

It remains to be seen, however, if the relationship between books and human capital accumulation actually holds. Rather, it is likely that, after an initial phase in which education and other possible media of knowledge exchange are of lesser importance, the role of books in knowledge accumulation is replaced by the before mentioned two factors. Indeed, whereas, after the Industrial Revolution endogenous growth may have come into existence which emphasized the accumulation of "ideas" via education, in the early modern period little evidence of such endogenous relations can be found. Rather a hybrid form (depending on the level of development) of modern and Malthusian type growth exists. Indeed, Foldvari, Van Leeuwen and Van Zanden (2012) found for one of the most modern societies that there was no direct relation between human capital and per capita income and they conclude that "[w]ithout this final link, economic growth was finally dependent on exogenous factors affecting human capital accumulation." This thus contradicts Houston (1983) who argued that increased literacy enabled people to read contracts and, in this way, fostered economic growth in per capita terms.

However, this does not mean that human capital is not accumulated via other channels than book production. Following Kremer (1993) and Galor (2005), we may argue that, consistent with historical evidence, increased population leads to an increase in the number of people that invest in education. Using this preposition, Galor and Weil (1998) argue that increased population and/or a small increase in the level of education (due to the fact that schooled people have more surviving children) increases the amount of technical progress. Yet, for the early modern period this effect must have been small due to the insignificant relation between education and per capita GDP found by Foldvari, Van Leeuwen, and Van Zanden (2012). Hence, it is more likely that the invention of the printing press led to the accumulation of knowledge in the form of books (e.g. Eisenstein 1980). This enhanced the spread of knowledge and, hence, created faster technological progress than would have been possible without the invention of the printing press.

2

Human capital thus apparently affects economic growth (either endogenously or exogenously). However, before the Industrial Revolution, it seems to have happened largely via book production (which accumulated existing knowledge), after the Industrial Revolution it was education that (directly or via other media) affected "ideas" and per capita GDP. One needs to add one more element to this story though. In her seminal work on this topic, Eisenstein only looked at how the printing press changed the accumulation of knowledge. However, it also changes the rhetoric and thought: it promotes the sharing of similar frameworks for research and (academic) debate. This is related to, as pointed out by Heckel (1991, 66), "shifts in consciousness (are) attributable in part to the growing interiorization of the printed text as a model for intellectual activity." And this implies that more people can start working on comparable problems sharing accumulated knowledge. However, this only works in relatively homogenous societies. For example, in Europe, which, notwithstanding all linguistic, ethnic and religious divides was relatively homogenous, a single research paradigm could emerge. However, this research paradigm could not be exported to, for example, Africa which had a completely different demand for technology, a lack of integration, and an overwhelmingly oral culture (Zegeye and Vambe, 2006).

In this paper, we aim to look at the relationship between book production and the realization of "ideas" (in this context, proxied by patents), i.e. how the accumulation of knowledge via books may lead to increasing technological development and, ultimately, economic growth. We hypothesize that:

- Before the Industrial Revolution books had relatively insignificant direct role in productive knowledge. Also, other channels of productive knowledge transfer were more important than printed books, like verbal transfer and learning by doing.
- 2) During Industrial Revolution, books may have some limited positive relationship with patents but traditional spread of knowledge still retains its importance. It is only during the second phase of the Industrial Revolution that the existing knowledge needs to be accumulated and spread over the wider society. This is when education multiplies the efficiency of knowledge

3

recording by books. We therefore expect that both books and education are positively related to patents.

- 3) During the 20th century, especially in the developed world, alternative forms of knowledge recording and idea-related communications arise which reduce the importance of printed books (some of the knowledge is not even printed as it is not made available to the public, electronic documents, unpublished texts not included in the dataset, internet, emails) that most likely are the main sources of communication leading to patents). Education should, however, remain important as education makes the processing of knowledge possible.
- 4) During the 20th century in the developing world, alternative forms of knowledge recording are much less important. In addition, we expect that there is little transfer across world regions concerning book production and ideas given the non-homogenous nature of knowledge (i.e. African local knowledge is not equal to European local knowledge). Hence, it is difficult to import accumulated knowledge from other continents. As a consequence, we expect that countries which hitherto largely had an oral culture (like in Africa) still have higher gains from the accumulation knowledge via books than more advantaged countries.

In order to analyze these hypotheses, in the next section we will discuss the data. Section 3 analyzes the pre- and post 1900 periods respectively. Section 4 discusses the results and we end with a brief conclusion.

DATA AND MODEL

In order to test above hypotheses, we require data on education, annual number of new book titles, number of patents, population, and GDP per capita. For the twentieth century, these data have been derived from the UNESCO Statistical Yearbooks (1963 - 1999), UNESCO Statistical reports on book production in various countries (1935 - 1950), UNESCO international survey of book production (1951 - 1977). In total, we cover a set of 58 countries.¹ The countries were subdivided

¹ Austria, Belgium, Bulgaria, Cyprus, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Hungary, Italy, Malta, Netherlands, Norway, Poland, Portugal, Romania, URSS/Russia,

into regions using information from CEPII (Mayer and Zignago, 2011). GDP per capita and population were obtained from Maddison (2007) and the levels of average years of education were obtained from Barro and Lee (2010), Foldvari, Van Leeuwen, and Van Leeuwen-Li (2011), and Van Leeuwen, Van Leeuwen-Li and Foldvari (2012). Finally, patents were obtained from the World Development Indicators (WDI, World Bank, 2011).

Obviously, these data only go back to the 1930s at best. In order to explore the development of the relation between book titles and ideas over time, we added additional data for England going back to 1600. In this way, we obtained a running series between 1600 and 2008. The number of book titles per year data were obtained from Baten and Van Zanden (2008), added with data from DePleijt². Patents were obtained from Diebolt and Pellier (2010), updated with data from the World



Spain, Sweden, Switzerland, United Kingdom, Estonia, Latvia, Lithuania, Yugoslavia/Serbia, Croatia, Slovenia, Macedonia, Algeria, Egypt, Tunisia, Morocco, Kenya, Nigeria, South Africa, Australia, New Zealand, Argentina, Brazil, Chile, Mexico, Canada, United States of America, China, India, Israel, Japan, Jordan, South Korea, Malaysia, Philippines, Thailand, Saudi Arabia, Turkey, United Arab Emirates and Indonesia.

² Sandra DePleijt has been so kind as to make available new estimates of the number of book titles in the United Kingdom in the 19th and 20th century.

Development Indicators (World Bank, 2011). Average years of education was obtained from DePleijt (2011) and Foldvari and Van Leeuwen and Van Leeuwen-Li (2011). GDP was obtained from Broadberry et al. (2011) and Maddison (2007), and population was obtained from Wrigley and Schofield (1989), Wrigley et al. (1997), and Maddison (2007).

Using these data, we are able to test if and how book production affects "ideas". This is done by testing the hypotheses summarized in the previous section. In order to make them clearer, these hypotheses are graphically represented in Figure 1. In all cases, one can see that patents affect per capita GDP. This is obvious, since increased technology leads to economic growth (e.g. Romer 1990; Grossman and Helpman 1991a, 1991b; Aghion and Howitt 1992). The other relations are less straightforward though. The dotted lines represent the relations as might exist before the period of modern (i.e. sustained) economic growth: education is more or less independent of per capita income, and it is only via the number of books that, indirectly via the accumulation of knowledge and the development of a common research and thought framework, the number of patents is influenced. Yet, over time the effect of books resided since all existing knowledge was accumulated and new knowledge had to be generated. Also, technologies became increasingly complex. This led to a shift away from the role of books to the role of education (the dashed lines). Hence, education affected technology, and technology GDP per capita. Also, since more per capita GDP led to an increase in education, we arrived at the endogenous growth theories as proposed by Lucas (1989) and Romer (1990), which are important explanations of sustained per capita growth witnessed in the twentieth century.

AN ANALYSIS OF THE RELATION BETWEEN BOOKS AND IDEAS

Books and development: a long-run view

England, being one of the first economic developers, provides a case in point when analyzing the relation between books and ideas overt time. In the Early Modern period, book production was already quite considerable in England, while patents only started to increase during the Industrial

Revolution. Indeed, Figure 2 shows that the relative gap between patents and book titles clearly declined until the mid 19th century, after which they more or less grow together. This seems to indicate that patents did profit from books until at least the mid 19th century. The things changed



Figure 2: Nr. Book titles and patents in England, 1600-2010

Source: number of book titles from Baten and Van Zanden (2008); DePleijt (personal communication). Patents are obtained from Diebolt and Pellier (2010)

though, during the second half of the twentieth century, when full literacy combined with other modes of communication drove patents and books apart again.

The way to test the relationships from Figure 1 is to run a regression between patents, books, education. To this, we add GDP per capita to correct for the reverse effect of per capita income on patents. Hence, the equation becomes:

$$patents_t = \alpha_0 + \alpha_1 patents_{t-1} + \alpha_2 titles_t + \alpha_3 lnGDP/cap_t + \alpha_4 Educ_t + u_t$$
 (1)

Yet, as outlined in Figure 1, these relations may change over time. Hence, we start with running the Quandt-Andrews unknown breakpoint test (Quandt, 1960; Andrews, 1993). Using the first and the last 15% of observations, this is a test for whether a breakpoint exists. The results for patents per capita, i.e. the dependent variable, are reported in Table 1. Basically, we tested from big to small, i.e. the whole period and then reducing the sample size to test for alternative breakpoints. In this

		1618-2008	1618-1978	1618-1940	1618-1907	1618-1850	1618-178
Maximum LR F-statistic	1979	16.619					
		.(0.000)					
	1941		14.579				
			.(0.000)				
	1908			45.761			
				.(0.000)			
	1852				4.036		
					.(0.024)		
	1790					17.466	
						.(0.000)	
	1762						8.110
							.(0.000)
Exp LR F-statistic		2.762	2.761	17.925	0.792	7.169	2.144
		.(0.000)	.(0.000)	.(0.000)	.(0.258)	.(0.000)	0.001
Ave LR F-statistic		1.541	2.143	5.427	1.512	10.464	3.125
		.(0.084)	.(0.012)	.(0.000)	.(0.114)	.(0.000)	0.001
No. Of breaks compared		352	288	258	203	164	12

Table 1: Quandt-Andrews unknown breakpoint test for patents in England, ca.1600-2008

Note: probabilities calculated using Hansen's (1997) method

way, we identified six breakpoints: 1979, 1941, 1908, 1852, 1790, and 1762.

In the next step, we ran regression 1 for each sub-period. The results are reported in Table 2. The results are quite interesting: up to the Industrial Revolution, neither education nor books affected the number of patents. Only after 1760 we find books to become significant. Since education remains insignificant, a common phenomenon during the first phase of the Industrial Revolution (Nicholas and Nicholas 1992; O'Rourke and Williamson 1997; Mokyr and Voth 2006), this suggests that books work via a common framework or accumulation of knowledge rather than

	1618-1760	1760-1850	1851-1907	1908-1940	1941-1978	1979-2008
С	0.000	0.000	0.000	0.006	0.000	0.007
	.(-0.854)	.(-4.513)	.(0.747)	.(3.594)	.(-0.092)	.(2.491)
Patent/cap(t-1)	0.585	0.495	0.860	-0.008	0.460	0.297
	.(6.901)	.(5.387)	.(14.529)	.(-0.082)	.(3.967)	.(1.431)
books/cap	-0.0004	0.003	0.128	1.300	-0.184	-0.136
	.(-0.828)	.(2.364)	.(0.611)	.(2.653)	.(-2.013)	.(-1.223)
InGDP per capita	0.000	0.000	0.000	-0.001	0.000	-0.001
	.(0.797)	.(4.336)	.(-0.830)	.(-3.564)	.(-0.709)	.(-2.393)
AvYears	0.0000	0.0000	0.0000	0.0001	0.0003	0.0001
	.(0.459)	.(0.848)	.(1.710)	.(3.356)	.(4.992)	.(1.917)
R ²	0.410	0.929	0.987	0.685	0.917	0.852
N	143	91	57	33	38	30

Table 2: Effect of books on patents in England, 1618-2008

via education. However, where, from the second phase of the Industrial Revolution onwards education increases in importance, the same relationship is not true for books. After 1941, we can see that the coefficient of per capita book titles published become insignificant.

Hence, only after an initial phase of economic development where the accumulation of knowledge is important, books are important for the spread of ideas. When technology becomes increasingly complicated, education increases in importance and starts to have direct effects on patents and, ultimately, on per capita income. However, does this imply that for less developed countries the accumulation of knowledge via books still remains an important way to develop "ideas"? Or, can they import "knowledge" from Western countries and, as such, do not require an

increase in the number of books as a means to accumulate knowledge? This will be tested in Section 3.2.

20th century: world overview

As our previous example of England shows, the situation in the twentieth century changed considerably. First, an endogenous relationship between education and per capita GDP for at least the developed countries came into existence (i.e. Lucas 1988; Romer 1990; Grossman and Helpman 1991). This has to be education rather than literacy since in most developed countries in the twentieth century almost universal literacy has been reached meaning it has no explanatory power of any further GDP per capita rise. Secondly, book production had increased to such an extent for developed countries that any further gains from knowledge accumulation became unlikely.

However, this does not necessarily apply for the developing economies. First, it remains to be seen if they experience endogenous growth. For many countries (also fast growing Asian Tigers) experienced perspiration factors (i.e. accumulation of physical capital) rather than inspiration factors (i.e. knowledge), implying a lack of endogenous growth (e.g. Krugman 1994). Second, knowledge used in developing countries is most likely different from those in developed economies. Hence, books produced in Europe are often of little use in Africa. Therefore, the accumulation of knowledge in these largely oral economies still continues which makes it possible that there still is a link between patents and book production.

In order to test this, we must prove that there is a reverse causation between patents and GDP per capita which suggests an endogenous system of growth. Also, there should be no relation between book production and GDP per capita. To test this, we use the data on patents, books, and GDP per capita as discussed in Section 2. These data contain 59 countries with more than 2,000 observations of the number of book titles.

Therefore, we apply a Granger causality test. Basically, this test consists of regressing a variable on its own lags and the lags of a variable that is supposedly having a causal relationship.

10

Since the future cannot determine the past, a significant relationship is indicative of causality. The results of the panel Granger causality test are reported in Table 3 where we used the first difference of the variables to correct for non-stationarity. We find that there is indeed a reverse causation between patents and GDP per capita, confirming the existence of some sort of

	p-value	verdict
Patents cause books	0.602	no
Books cause patents	0.180	no
Patents cause books (including GDP per capita as independent variable) Books cause patents (including GDP per capita as independent variable)	0.365 0.075	no yes
Patents cause GDP per capita	0.116	no
GDP per capita causes patents	0.012	yes

Table 3: Granger causality test panel ca. 1950-2000

Note: lag length determined with Akaike information criterium. We used a fixed effect within regression.

endogenous system (possibly, via education). However, on first sight, books do not seem to affect GDP per capita. However, after including per capita GDP (since it is possible that both patents per capita and book titles per capita are affected by economic development) we find that books does affect per capita patents, even though it is only just significant. Likewise, we find that GDP per capita causes patents, while the reverse relationship is just rejected at 10%. This indeed seems to suggest that in poorer countries (with a lesser economic development), the relationship between per capita books and patents might be higher while their technology is still largely exogenous.

However, in order to test that, we need to disentangle the effects of book production on patents using a panel regression. Since, however, the system may be at least partially endogenous, as pointed out above; we have to use lags of the independent variables as instruments. The results are reported in Table 4. In both a panel and an instrumental variable panel regression we find that the effect of population and per capita GDP is remarkable identical. More interesting, however, is the coefficient of the number of book titles per capita. We find, when splitting up by continent, that the coefficient of Europe is negative while that of most developing regions is positive. Indeed, in

	Dependent variable: patents/cap					
	Panel Panel IV			Panel IV		
	coefficient	t-value	coefficient	z- value	coefficient	z- value
Constant	-0.143	-0.31				
nr titles/cap	-0.152	-1.54	-0.166	-4.85	-0.177	-4.90
titles/cap* Africa					1.197	3.07
titles/cap* America					0.038	1.15
titles/cap* Pacific					0.246	3.67
titles/cap*Asia					0.303	2.21
In GDP per capita	0.240	1.72	0.227	4.31	0.214	4.27
lnPop	-0.172	-1.6	-0.187	-4.14	-0.195	-4.34
Effects	Fixed effects		Fixed effects		Fixed effects	
Hansen J-statistic (p-	NT A		0.215		0.509	
value)	NA		0.215	0.215 0.508 nr titles/cap, titles/cap*Africa, titles/cap* America, titles/cap* Pacific,		
Instrumented			nr titles/cap ln GDP/cap,	titles/cap*Asia		
included instruments			lnPop ln GDP/cap, lnPop			
Obs.	1,125		948 948		948	
R^2	0.060		0.101		0.103	

 Table 4: Panel regression between patents and number of book titles

our long-run analysis for England in the previous Section we already concluded that the effect of books may turn insignificant, or even negative, in the latter part of the twentieth century. This indeed confirms our previous statement that book production slowly looses ground when education and endogenous growth become increasingly important. Theoretically, this knowledge may spillover to developing economies as well, also reducing their coefficients of book titles to zero. However, apparently this is not the case since we find the effect of books on growth to remain large with a coefficient for Africa of no less than 1.2. One possible reason why such flows of knowledge do not seem to have any effect might be that the character of useful knowledge in Africa is different. This will be discussed in the next Section.

DISCUSSION

The question why the relation between books and patents breaks down, at least in the developed world, has been implicitly discussed by Eisenstein (1980) as well as the many studies that argue that new information technologies and the increasingly knowledge – and education- intensive character of the technological development requires an increasing amount of education (e.g. Psacharopoulos 1994; MacMahon 1998; Krueger and Lindahl 2001). Nevertheless, we might shed some more light on the question as to why this relationship apparently did not break down in the developing countries, more specifically Africa.

Eisenstein argued that in the first years of the rise of book production, knowledge started to accumulate. In order for a similar argument to be applicable to 20th century Africa, we need three ingredients:

a) Education is exogenous in economic development and uncorrelated with book production.
 This must be the case, or otherwise, an endogenous system driven by education comes into
 existence like in most of the developed world. However, this can only happen if there is a market
 for scientific knowledge.

b) The development of book production in Africa is relatively small and recent. If this were not true, knowledge would already have been accumulated before.

c) There is little transfer of knowledge via books from the western world to Africa (in other words, Western knowledge cannot/is not applied in Africa). If this were not the case, knowledge could easily have been imported.

One way of addressing these issues is to look at causality again. Table 5 reports that there are indeed no causal relations between number of book titles and education. Interestingly, education also does not cause GDP per capita. Even though this may be surprising from a human capital point

13

of view, it has to be kept in mind that only useful knowledge actually affects growth and years of education is not human capital. This can be easily seen from multiple papers from Heyneman (2003; 2009) who gives multiple examples of failed UNESCO schooling projects in Africa. A

	p-value	verdict
books cause education	0.844	no
education causes books	0.487	no
books cause patents	0.929	no
patents cause books	0.094	yes
GDP per capita cause	0.001	
education	0.001	yes
education causes GDP per		
capita	0.202	no

Table 5: Granger causality test for Africa, ca. 1950-1990

similar argument has been brought forward by Pritchett (1997) who argued that schooling was highly inefficient in many developing economies.

A second precondition for the continued importance of books in a developing region like Africa is that knowledge accumulation is not yet complete (in the form of books). This means that teaching process as such is impaired, if there is not enough *local* accumulated knowledge or misuse of it. This can also be seen if we look at the absolute number of books titles as reported in Table 6. This table is calculated using a dummy variable regression to interpolate missing observations. It is clear though that in per capita terms the total number of titles published in Africa is much lower. Add to this that the total population in Europe is, on average, about three times as large as in Africa, it means the gap in total number of titles published is even larger.

Of course, this lack of production of books may be remedied by importing them from other regions either within, or outside, Africa. However, within Africa not much knowledge is spread

Book titles per million inhabitants						
	Africa Europe					
1940s		321.9				
1950s	27.8	343.2				
1960s	38.0	430.4				
1970s	28.2	570.6				
1980s	39.8	702.9				
1990s	39.0	751.7				

Table 6: Test for number of book titles per capita in Europe and Africa, ca. 1940-2000

Source: for the number of book titles see Section 2; Population from Maddison (2007)

since, if any knowledge was accumulated at all, it was locally and did not spread to other parts of the African continent due to its large ethnolinguistic fractionalization. A counter argument might be that the same lack of spread of books and knowledge occurred in Europe since not all books in Europe are read by all Europeans given the strong language barriers between them. However, the literature so far seems to indicate that this barrier is less significant in Europe than it is in Africa. Looking at coefficients of linguistic fractionalization (Alesina et al. 2003), we find that Africa has a Gini of 0.61 versus only 0.24 for Europe.

A similar argument on the spread of knowledge may also be made on a more international level, i.e. the lack of accumulation in Africa might overcome by imports of knowledge (i.e. books) from other (more developed) regions. Yet, the lack of economic development, the small role of education, and the fact that any useful knowledge is written in a language that is often known to a (small share) of its population, makes it difficult for Africa to straightforward import this kind of knowledge. Rather we may, following Ouane and Glanz (2010), argue that the transfer of knowledge is not just a simple top-down process from centre to periphery; instead, it is a complex network of multi-facets flows of information. Indeed, the few studies that look in the spread of knowledge across region suggest that in Europe mobility was relatively high (Abramitzky and Sin 2010; Kovač, Wischenbart et al. 2010; Todorova 2010) while in Africa the introduction of European books titles was extremely low with only 0.3 book titles per million inhabitants (see

Table 7). In comparison, the lowest other continent is Asia with about 1 translated book per million inhabitants. Obviously, this has something to do with language: Spanish and Portuguese in South America, English in the United States and Canada, but also French and English are used in parts of

	Pacific	Africa	America	Asia	Europe
1980	3.49	0.30	2.12	1.06	22.10
1985	1.31	0.20	3.97	1.23	26.37
1990	3.24	0.11	3.34	0.97	27.38
1995	1.11	0.03	2.65	1.71	45.20
2000	1.66	0.47	3.68	1.59	45.24
2005	2.10	0.43	1.86	4.51	53.92

 Table 7: number of titles translated from a European language into a

local language by continent per mln inhabitants

Source: Unesco Index Translationum (accessed March 2012)

Africa. In any case, Table 7 suggests a limited flow of books from the Western world to Africa. It is also interesting to see that there is a strong flow within Europe, which is not completely caused by linguistic homogeneity. After all, many different languages are spoken throughout Europe as well. Instead cultural/knowledge homogeneity may be part of the reason as well. By times, large parts of the European continent were under influence of similar religions or were part of the same Empire. Likewise, we can see that the fall of socialism around 1990 caused a large increase in book translations within Europe. This is largely caused by increased translations of Western books in Eastern Europe, which increased with a factor five. However, most translated titles were in more subjective titles as religion and philosophy (Abramitzky and Sin 2010).

It is thus clear that, if Eastern Europe is comparable, especially subjective fields were discussed in books. This brings us to a final reason of the low mobility of books from Europe to Africa (in the form of translations or otherwise) which is that in Africa another kind of knowledge was demanded. One obvious way of acknowledging that is that Western books about religion often discuss Christianity, which is probably not in high demand in Muslim Northern Africa. However, besides such factors, knowledge in Africa is generally rather local. Lack of written culture, local disease environment, etc. makes even the spread of books within Africa limited. This can be assessed by looking at the subjects that were printed. For Europe, we see a strong tendency towards social sciences and geography, whereas applied sciences used to be more popular in the 1940s. This

	Europe		Africa
	1950	1995	1995
Generalities	3.2%	4.2%	2.9%
philosophy/ psychology	2.4%	3.9%	1.6%
Religion	4.9%	4.4%	9.6%
social sciences	16.8%	21.2%	22.3%
Philology	2.4%	2.5%	8.7%
Pure sciences	6.3%	6.5%	6.4%
applied sciences	26.7%	15.5%	16.0%
arts and recreation	5.9%	7.7%	4.8%
Literature	24.4%	23.7%	21.5%
geography and history	7.1%	10.3%	6.2%

Table 8: Division of book titles by UDC classes

Source: see Section 2.

is a bit the same for Africa today, whereas still some focus is on religion and philology, two topics that are of quite some use even in modern day Africa. Yet, the lack of applied sciences is hampering modern day industry.

In sum, the main reason why the effect of books on "ideas" remained strong throughout the twentieth century in many developing regions was that they did not manage to modernize its economy and generate endogenous growth based on education and applied technologies. Likewise, imports of knowledge from other regions or continents turned out impossible as well due to the different kinds of knowledge demanded as well as the large ethnolinguistic fractionalization that burdened especially the African continent.

CONCLUSION

Recently, book production has been coined an indicator of human capital even though most studies see it as an indicator of literacy only. In this paper we asses this relationship over time and across regions. We find that books started to affect the accumulation of "ideas", proxied by patents in the first phase of the Industrial Revolution. Partly, however, for the later period this relation is shattered when new information technologies appear and new inventions became increasingly education-intensive. In the late 20th century, the role of education became endogenised via familiar channels of (new) growth theory. For developing economies, especially Africa, this is not the case. We found that education is not yet endogenised, meaning that education and alternative information technologies did not take over the role of books. Likewise, due to linguistic fragmentation, an overwhelmingly oral culture, and a structural different kind of knowledge, book production stagnated, and no knowledge could be imported (for example via translated books). This means that there still is a relation between books and "ideas" in many developing regions.

REFERENCES

Abramitzky, R. and Sin, I. (2010), 'Book translations as idea flows: The Effects of the collapse of Communism on the difusion of knowledge?',

http://www.frbsf.org/economics/conferences/1007/Communism_IziSin.pdf. Aghion, P. and Howitt, P. (1992), 'A Model of Growth through Creative Destruction', *Econometrica*, Vol. 60 (2), pp. 323-351.

Alesina, A., Devleeschauwer, A., Easterly, W., Kurlat, S. and Wacziarg, R. (2003), 'Fractionalization', *Journal of Economic Growth*, Vol. 8 (2), pp. 155-194.

- Andrews, D. (1993), 'Tests for Parameter Instability and Structural Change With Unknown Change Point', *Econometrica* 61 (4): 821–856.
- Barro, R. and Lee, J. W. (2010), 'A New Data Set of Educational Attainment in the World, 1950–2010', NBER Working Paper No. 15902, pp. 1-47, http://www.nber.org/papers/w15902.

Baten, J. and van Zanden, J. L. (2008), 'Book Production and the Onset of Modern Economic Growth', *Journal of Economic Growth*, Vol. 13 (3), pp. 217-235.

Broadberry, S., Campbell, B., Klein, A., Overton, M. and van Leeuwen, B. (2011), 'British economic growth, 1300-1850: Some preliminary estimates', Paper presented at the workshop Quantifying Long Run Economic Development, Venice, 22 - 24 March 2011.

Buringh, E. and van Zanden, J. L. (2009), 'Charting the "Rise of the West": Manuscripts and Printed Books in Europe, A Long-Term Perspective from the Sixth through Eighteenth Centuries', *The Journal of Economic History*, Vol. 69 (2), pp. 410-446.

Curtius, E. R., (1967), 'European Literature and the Latin Middle Ages', Princeton University Press, Princeton.

DePleijt, S. (2011), 'The Role of Human Capital in the Process of Economic Development: The Case of England, 1307-1900', Paper presented at the workshop Quantifying knowledge: human capital measurement, ca. 1700 - 2010, Utrecht, December 2011.

Diebolt, C. and Pellier, K. (2010), 'La cliométrie du brevet', Rapport de recherche: Projet Exploratoire / Premier Soutien (PEPS) du CNRS, janvier.

Dittmar, J. (2011), 'Information Technology and Economic Change: The Impact of the Printing Press', *Quarterly Journal of Economics*, Vol. 126 (3), pp. 1133-1172.

- Eisenstein, E. L. (1980), *The Printing Press as an Agent of Change*, Cambridge University Press, New York.
- Eliasson, G. (2001), 'The Role of Knowledge in Economic Growth' in *The Contribution of Human* and Social Capital to Sustained Economic Growth and Well-being, ed. J. Helliwell, OECD, Paris and HRDC, Canada, 1-34.

Febvre, L. and Martin, H. – J. (1958), *The coming of the Book. The impact of Printing 1450-1800*, NLB, Atlantic Highlands: Humanities Press, London.

Földvári, P., van Leeuwen, B. and van Leeuwen-Li, J. (2010), 'Educational inequality in Europe, 1870-2000, Unpublished paper, 20 Aug 2010) (downloaded from http://www.basvanleeuwen.net/Papers.htm).

Foldvari, P., van Leeuwen, B. and van Zanden, J. L. (2012), 'The Contribution of Migration to Economic Development in Holland and the Netherlands 1510-1900', *CGEH working paper*, No. 25, Jan 2012).

- Galor, O. (2005), 'From Stagnation to Growth: Unified Growth Theory', *Handbook of Economic Growth*, volume 1, part A, pp. 171-293.
- Galor, O. and Weil, D. (1998), 'Population, Technology and Growth: From the Malthusian Regime to the Democratic Transition', *NBER Working Paper* no. 6811, http://www.nber.org/papers/w6811.
- Grossman, G. and Helpman, E. (1991), *Innovation and Growth in the Global Economy*, MIT Press, Cambridge.
- Grossman, G. and Helpman, E. (1991), 'Quality Ladders in the Theory of Growth', *Review of Economic Studies*, Vol. 58 (1), pp. 43-61.

- Heckel, D. (1991), 'Francis Bacon's New Science: Print and the Transformation of Rhetoric', in Media, Consciousness and Culture: Explorations of Walter Ong's Thought, ed. B. E. Gronbeck, T. J. Farrell, P. A. Soukup, Sage Publications, London.
- Heyneman, S. P. (2003), 'The history and problems in the making of education policy at the World Bank 1960-2000', *International Journal of Educational Development*, Vol. 23 (3), pp. 315-337.
- Heyneman, S. P. (2009), 'The failure of Education for All as political strategy', *Prospects: Quarterly Review of Comparative Education*, 39 (1), pp. 5-10.
- Hoock, J. (2008), 'Professional Ethics and Commercial Rationality at the Beginning of the Modern Era' in *The Self-Perception of Early Modern Capitalists*, ed. M. C. Jacob and C. Secretan, Palgrave MacMillan, New York.
- Houston, R. (1983), 'Literacy and Society in the West, 1500-1850', *Social History*, Vol. 8 (3), pp. 269-293.
- Jones, C. I. (2005), 'Growth and Ideas', in *Handbook of Economic Growth*, ed. P. Aghion and S. Durlauf, Elsevier, edition 1, vol. 1, chapter 16, pp. 1063 1111.
- Jones, C. and Romer, P. (2010), 'The New Kaldor Facts: Ideas, Institutions, Population, and Human Capital', *American Economic Journal: Macroeconomics*, Vol. 2 (1), pp. 224-245.
- Klenow, P. and Rodríguez-Clare, A. (2005), 'Externalities and Growth', in *Handbook of Economic Growth*, ed. P. Aghion and S. Durlauf, Elsevier, vol. 1A, chapter 11, pp. 817 861.
- Kovač, M., Wischenbart, R., Jursitzky, J. and Muriale, S. (2010), 'Diversity Report 2010: Literary translation in current european book markets. An analysis of authors, languages, and flows', http://www.wischenbart.com/upload/Diversity-Report_2010.pdf.
- Kremer, M. (1993), 'Population Growth and Technological Change: One Million B.C. to 1990', *Quarterly Journal of Economics*, 108 (3), pp. 681-716.
- Krueger, A. B. and Lindahl, M. (2001), 'Education for Growth: Why and For Whom?', *Journal of Economic Literature*, 39 (4), pp. 1101-1136.
- Krugman, P. (1994), 'The myth of Asia's miracle', Foreign Affairs, vol. 73 (6), pp. 62–78.
- Lucas, R. E. (1988), 'On the Mechanics of Economic Development', *Journal of Monetary Economics*, vol. 22 (1), pp. 3 - 42.
- MacMahon, W. W. (1998), 'Education and Growth in East Asia,' *Economics of Education Review* 17 (2), pp. 159-172.
- Maddison, A. (2007), Contours of the World Economy, 1-2030 AD. Essays in Macro-Economic History, Oxford University Press, Oxford.
- Mayer, T. and Zignago, S. (2011), 'Notes on CEPII's distances measures: The GeoDist database', Centre d'Études Prospectives et d'Informations Internationales (CEPII), Working Paper 25 december 2011, http://www.cepii.fr/anglaisgraph/workpap/pdf/2011/wp2011-25.pdf.
- Mokyr, J. and Hans-Joachim, V. (2006), 'Understanding Growth in Europe, 1700-1870: Theory and Evidence', *DEGIT Conference Papers*, Dynamics, Economic Growth, and International Trade.
- Mokyr, J. (1995), 'Urbanization, Technological Progress, and Economic History', in *Urban* Agglomeration and Economic Growth, ed. H. Giersch, Springer, Berlin.
- Mokyr, J. (2003), *The Gifts of Athena: Historical Origins of the Knowledge Economy*, Princeton University Press, Princeton and Oxford.
- Mokyr, J. (2009), 'The Contribution of Economic History to the Study of Innovation and Technical Change: 1750-1914', in *Handbook of Technological Change*, ed. B. Hall and N. Rosenberg.
- Mokyr, J. (2010), *The Enlightened Economy: an Economic History of Britain 1800-1950*, Yale University Press, New Haven.
- Nicholas, S. J. and Nicholas, J. M. (1992), 'Male Literacy, "Deskilling" and the Industrial Revolution,' *The Journal of Interdisciplinary History*, Vol. 23 (1), pp. 1-18.
- O'Rourke, K. and Williamson J. G. (1997), 'Around the European Periphery 1870-1913: Globalization, Schooling and Growth', *European Review of Economic History*, Vol. 1 (2), pp. 153-91.

- Ouane, A. and Glanz, C. (2010), 'Why and how Africa should invest in African languages and multilingual education. An evidence- and practice-based policy advocacy brief', *UNESCO Institute for Lifelong Learning*, Association for the Development of Education in Africa (ADEA), pp. 1 - 71.
- Pritchett, L. (2001), 'Where has all the education gone?', *The World Bank Economic Review*, vol. 15 (3), pp. 367 391.
- Psacharopoulos, G. (1994), 'Returns to Investments in Education: A Global Update,' *World Development*, Vol. 22 (9), pp. 1325-1343.
- Quandt, R. (1960), 'Tests of the hypothesis that a linear regression system obeys two separate regimes', *Journal of the American Statistical Association* 55 (290), pp. 324 330.
- Romer, P. (1990), 'Endogenous Technical Change', *The Journal of Political Economy*, Vol. 98 (5), pp. S71-S102.
- Romer, P. (1993), 'Idea Gaps and Object Gaps in Economic Development', *Journal of Monetary Economics*, Vol. 32 (3), pp. 543-573.
- The World Bank, *World Development Indicators & Global Development Finance*, 15 December 2011.
- Todorova, M. (2010), 'Globalizing the Local in Today's Market', UNESCO International Symposium Translation and Cultural Mediation, Paris.
- UNESCO, Index Translationum, accessed in March 2012, (http://www.unesco.org/xtrans/bsstatlist.aspx?lg=0).
- UNESCO, *Statistical Yearbook*, 1964-1999, 1963-1999, UNESCO Institute for Statistics, UNESCO Publishing, Paris.
- UNESCO (1951), *Preliminary statistical report on book production in various countries*, Statistical Service, Paris.
- UNESCO (1982), *An international survey of book production during the last decades*, Division of Statistics on Culture and Communication Office of Statistics, Paris.
- Van Leeuwen, B., van Leeuwen-Li, J. and Földvári, P. (2012), 'Was education a driver of economic development in Africa? Inequality and income in the twentieth century', paper presented at the Clio-Infra workshop, Amsterdam (April 2012).
- Weitzman, M. L. (1998), 'Recombinant Growth', *Quarterly Journal of Economics*, Vol. 113 (2), pp. 331 360.
- Wrigley, A. E. and Schofield, S. R. (1989), *The Population History of England*, 1541-1871: A *Reconstruction* (revised edition), Cambridge University Press, Cambridge.
- Wrigley, A. E., Davies, R. S., Oeppen, J. E. and Schofield, S. R. (1997), *English Population History* from Family Reconstitution, 1580-1837, Cambridge University Press, Cambridge.
- Zegeye, A. and Vambe, M. (2006), 'Knowledge production and publishing in Africa', *Development Southern Africa*, Vol. 23 (3), pp. 333-349.