

# Contents

<i>List of Figures</i>	page x
<i>List of Tables</i>	xiii
<i>Preface</i>	xv
<b>1 Large Wealth Differences across Time and Nations</b>	<b>1</b>
1.1 Measures of Production, Income and Wealth	1
1.2 Some Country Examples	4
1.3 Problems of Current GDP and GNI Approaches – and Possible Solutions	10
1.3.1 Differences between Various Sources of the Same Indicator	10
1.3.2 Hardly Believable Large or Small Values	13
1.3.3 Differences between GDP and GNI: Rich Countries Transfer Income and Poor Receive	14
1.3.4 Comparison with ECB and Credit Suisse Indicators of Wealth (Wealth in the Narrow Sense)	15
1.3.5 Differences between Statistical Indicators and Observations: Cuba and the United States as Examples	18
1.3.6 Validity Issues and What We Want to Know?	20
<b>2 The Wellbeing of Nations</b>	<b>22</b>
2.1 Health: Height and Life Expectancy	22
2.2 The Human Development Approach	26
2.3 Psychological, Environmental and Holistic Approaches	29
2.3.1 Gross National Happiness (GNH)	29
2.3.2 The Stiglitz–Sen–Fitoussi Approach	30
2.3.3 Happy Planet Index (HPI)	30
2.4 Including Political and Sociological Criteria	33
2.5 Why Still Use GDP?	38
<b>3 Human Capital, Cognitive Ability and Intelligence</b>	<b>40</b>
3.1 Terms and Definitions	40
3.2 Paradigms and Measurement Approaches	44
3.2.1 Education as a Proxy for Ability	44
3.2.2 Psychometric Intelligence Tests	45
3.2.3 Piagetian Cognitive Development	48
3.2.4 Educational Achievement	51
3.2.5 Cognitive Behaviour in Everyday Life and Its Sediments	54
3.3 Contentious Issues	56
3.3.1 Fragmentation and Compartmentalisation in Science	56



3.3.2	Political-Scientific Concerns and Epistemic-Ideological Confoundings	57
3.3.3	Not All Relevant Aspects of Education Are Covered	63
3.4	Cognitive Development and Its Determinants	64
3.4.1	Description of Development across Lifespan	64
3.4.2	Developmental Processes	65
3.4.3	Genes	68
3.4.4	Physical and Biological Aspects of Environment	73
3.4.5	Psychological Aspects of Environment – Family	75
3.4.6	Psychological Aspects of Environment – Neighbourhoods, Preschool and School	77
3.4.7	Individual Behaviour	79
3.4.8	How We Can Bring This All Together: Natascha Kampusch and the Productive Imagination of Malleability	80
3.5	Furtherance of Cognitive Ability	82
3.6	Can We Praise or Blame People for Cognitive Ability?	83
4	International Ability Differences and Their Development	85
4.1	Historical Differences (FLynn Effect)	85
4.2	National Differences	89
4.3	Methodical, Political and Cultural Objections	101
4.4	Everyday Life Evidence and Sediments	112
4.4.1	Indicators of Cognitive Ability for Historical and International Analyses	112
4.4.2	Quantitative Data for Statistical Analyses	116
4.4.3	A Closer Look into Regions: A First Exercise in Cognitive Hermeneutics of Everyday Life	126
5	Why Some Are Richer, Freer and More Democratic	165
5.1	Internal vs. External and Idealistic vs. Materialistic Paradigms	165
5.2	Traditional Explanations	167
5.2.1	Economic Freedom (Capitalism)	168
5.2.2	Quality of Institutions	170
5.2.3	Geography	171
5.2.4	Dependency	172
5.3	Interplay of Proximal and Distal Factors	175
6	History, Culture and the Burgher-Civic World	176
6.1	Worldview as the Core of Culture	176
6.1.1	Misunderstandings, Development and Components	177
6.2	Religion, Thinking and Society	178
6.2.1	One Example: Anshu Jain and Jainism	180
6.3	The Burgher-Civic World	183
6.4	Reciprocal Causality Leading to Modernisation	185
7	Why Cognitive Factors Are Important: A Theory of Cognitive Capitalism	188
7.1	General Cognitive Ability Effects	188
7.2	Higher Level Effects	192
7.2.1	Society and Culture: Music as an Example	195
8	The Impact of Cognitive-Intellectual Classes	198
8.1	General Cognitive and Specific Intellectual Class Effects	198
8.2	Pilots, Airlines and Accidents	200



8.2.1	Chesley Sullenberger and US Airways Flight 1549	201
8.2.2	Contrasting Examples: Costa Concordia and Ramstein	202
8.2.3	Airline Safety in Statistical Cross-Country Comparisons	204
8.2.4	Accidents, Ruling Classes and Airlines in Turkey	205
9	Methodological Research Problems and Solutions	211
9.1	An Epistemic Rationality Approach to Research	211
9.2	Measurement Problems	215
9.3	Causal Assumptions	216
9.4	Relationship between Individuals and Higher Order Categories (Levels)	218
10	Causes of National and Historical Differences in Cognitive Ability – and Reciprocal Effects	224
10.1	Wealth	225
10.2	Health	233
10.2.1	Parasites, Nutrition and Hygiene	233
10.2.2	AIDS as an Example: Effects and Causes	234
10.3	Politics	242
10.3.1	Peace	242
10.3.2	Rule of Law, Political Liberty and Democracy	244
10.3.3	Meritocratic Orientation and Management	248
10.3.4	Fragmentation of Power	251
10.3.5	Demographics: Migration	252
10.4	Modernity and Modernisation	255
10.4.1	When Did Modernisation Begin? The Transition of the Thirteenth Century	258
10.5	Education	261
10.5.1	Reciprocity between Education and Ability	262
10.5.2	Educational Quality	263
10.5.3	Summary on Educational Quality and Methodological Considerations	281
10.6	Geography and Climate	284
10.7	Evolution and Genes	287
10.7.1	Indirect and Tentative Evidence on Genetic Determinants	288
10.7.2	Evolutionary Theories and Indicators	298
10.7.3	Recent Evolution among Humans: Evolutionary Acceleration?	309
10.7.4	Consanguineous Marriages and the Genetic Effects of Culture	313
10.7.5	The 'Race' Issue (Biological Categorisation within Species)	316
10.7.6	Summary on Evolutionary Explanations	322
10.8	Culture and Worldviews	323
10.8.1	Animism	326
10.8.2	Judaism	328
10.8.3	Christianity	330
10.8.4	Islam	345
10.8.5	Hinduism	359
10.8.6	Buddhism	360
10.8.7	Confucianism	361
10.8.8	Impact on Cognitive Development and Burgher World	363
10.8.9	Empirical-Quantitative Findings	367
10.9	The Interplay of Determinants	368



11	Global Models for Education, Cognitive Capital, Production, Wealth and Wellbeing	371
11.1	Economy: Produced Income (GDP) and the Wealth of Nations	373
11.2	Politics: Democracy, Liberty, Rule of Law and Gender Equality	377
11.3	Explaining National Wellbeing Differences between Countries	381
11.4	The Impact of Education and School Education on Cognitive Ability	382
11.5	Summary on National Wellbeing Differences	385
12	Challenges of Future Development and First Predictions	388
12.1	Rising Complexity	388
12.2	Demographic Changes	391
12.2.1	Ageing	391
12.2.2	Differential Fertility Effect: Lower Birth Rates among Higher Ability Adults	392
12.2.3	Immigration	396
12.3	Resource Reduction	399
12.4	Climate Change	400
12.5	Rising Inequality within Societies	400
12.6	Predictions in Research	403
12.6.1	Historico-Philosophical Ideas of Progress Versus Cyclic Theories of Rise and Fall	403
12.6.2	Keynes' Famous Prediction from 1930	404
12.6.3	Current Predictions from other Researchers	407
12.6.4	Problems of Predictions	412
13	Models for Cognitive and Wealth Development in the Twenty-First Century	414
13.1	A First and Simple Model: Prediction of Rising Education Leading to Favourable Ability and GDP Development	416
13.2	Sophisticated Model for Ability Development	420
13.2.1	General Assumptions	420
13.2.2	Continuing Environmental Improvements	421
13.2.3	Migration Effects	421
13.2.4	Asymmetric Children Rates and Generation Lengths	424
13.2.5	Identical or Different Cognitive Ceilings: Train or Sailboat Model	428
13.2.6	Intelligence of the Future – Results	432
13.2.7	FLynn Effects Based on Expected Environmental Improvements	439
13.2.8	Combining Birth Rate, Migration and FLynn Effects	442
13.3	Model for Wealth Development	450
13.3.1	Past Growth and Wealth	450
13.3.2	Cognitive Determinants	450
13.3.3	Cognitive Determinants and Baseline Economic Growth	452
13.3.4	Including Further Factors	453
13.4	Wealth at the End of the Twenty-First Century	468
13.4.1	Comparisons with other Models	474
14	Summary, Comparisons and Suggestions	480
14.1	Summary on Results of This Study	481
14.2	Comparison with Alternative and Complementary Approaches and Their Insights	485



14.2.1	The Relevance of Enlightenment, Elites and Innovation (Margaret Jacob and Joel Mokyr)	485
14.2.2	Institutions: Economic Rights and Freedom (Douglass North, Daron Acemoglu)	486
14.2.3	Economic Freedom (Mises, Hayek, Friedman, Rothbard, Hoppe)	488
14.2.4	The Human Capital Approach within Economics (Eric Hanushek and Colleagues)	489
14.2.5	Effects of Intelligence for the Economy (Garett Jones)	491
14.2.6	The Climate Approach (Jared Diamond)	492
14.2.7	The Genetic-Economic Approach (Gregory Clark)	493
14.2.8	The Psychometric and Genetic-Psychological Approach at the International Level (Lynn & Vanhanen)	493
14.2.9	The Economic History Approach (David Landes)	495
14.2.10	Culture (Lawrence Harrison)	496
14.2.11	The Burgher World as Bourgeois Dignity (Deirdre McCloskey)	497
14.2.12	Interplay of Cognitive Psychogenesis and Sociogenesis (Georg Oosterdiekhoff)	501
14.2.13	Integrative Model: Evolution and Culture as Background Determinants, Cognitive Ability and Institutions as Crucial Intervening Factors and The Burgher World as the Societal and Ideological Frame, All Combined in a Reciprocal Network	503
14.3	What Can Be Done: Human Capital Policies and Burgher World	503
14.3.1	Health	505
14.3.2	Family Environment	506
14.3.3	Formal Education	507
14.3.4	Cognitive Training	514
14.3.5	Welfare Policies	515
14.3.6	Demographic Policies	516
14.3.7	Immigration and Emigration	517
14.3.8	Political and Institutional Reforms	522
14.3.9	Culture	523
	<b>References</b>	525
	<b>Index</b>	571