

PLS 341

Politics of Development

Week 7, Lecture 2:
Origins of state capacity

Recap

- Necessity of state capacity for development

Plan for today

- Origins of state capacity:
 - Stylized accounts of the construction of political order and capable states (and their developmental effects)
 - Historical state-making processes

Hobbesian anarchy

- “Hereby it is manifest that, during the time men live without a common power to keep them all in awe, they are in that condition which is called war, and such a war as is of every man against every man.”

- Hobbes, Thomas. 1651. *Of Man, Being the First Part of Leviathan*. Chapter XII.

WELCOME TO
~~ANARCHY~~



Hobbesian anarchy

- “In such condition there is no place for industry, because the fruit thereof is uncertain, and consequently no culture of the earth, no navigation nor use of the commodities that may be imported by sea, no commodious building, no instruments of moving and removing such things as require much force, no knowledge of the face of the earth; no account of time, no arts, no letters, no society, and, which is worst of all, continual fear and danger of violent death, and **the life of man solitary, poor, nasty, brutish, and short.**”

- Hobbes, Thomas. 1651. *Of Man, Being the First Part of Leviathan*. Chapter XII.



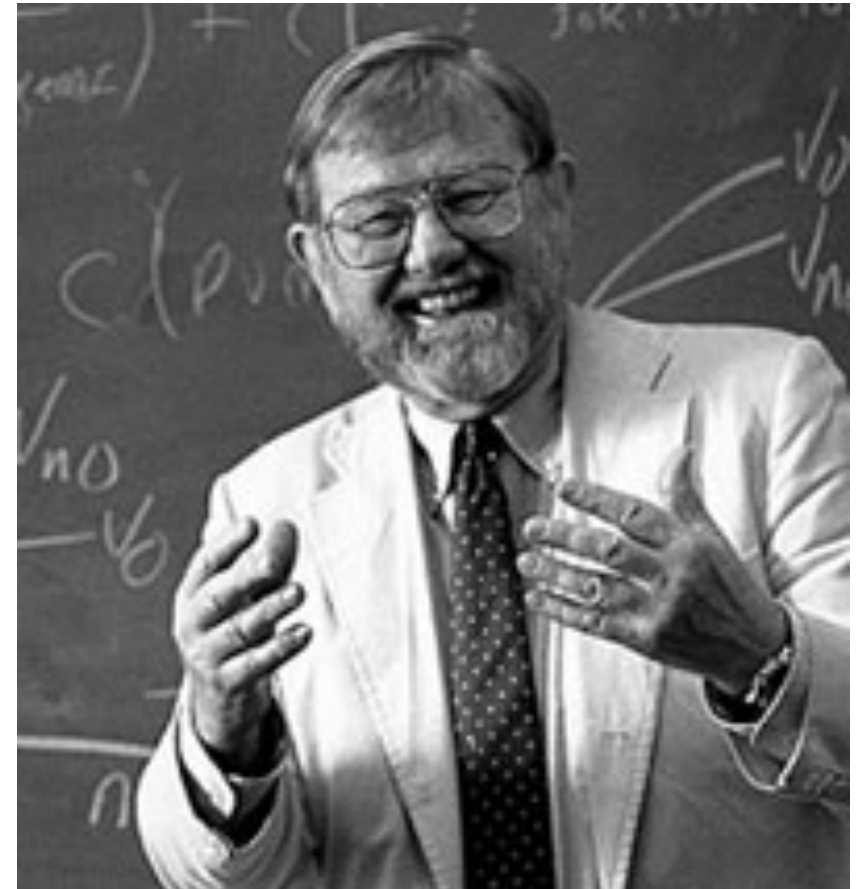
Olsonian anarchy

- Small-scale societies: voluntary agreement sufficient to enforce order
- Larger societies: freeriding —>
- Anarchy:
 - Uncoordinated competitive theft by 'roving bandits' —>
 - Disincentives to invest —>
 - Little benefit to either the population or the bandits



Olsonian political order and state capacity

- 'Stationary banditry':
 - Monopolization and rationalization of theft in the form of taxes



Acemoglu's incentives

- Model: a self-interested ruler in control of the state apparatus
- Two options:
 - Diversion of resources for own consumption
 - Investment in socially productive public goods



Acemoglu's incentives

- Excessively weak state:
 - The ruler's anticipation of future inability to extract rents —>
 - Underinvestment in public goods
- Excessively strong state:
 - Imposition of high taxes —>
 - Little private investment
- 'Consensually strong state equilibrium':
 - Imposition of high taxes in return for investment in public goods



Developmental effects of state capacity

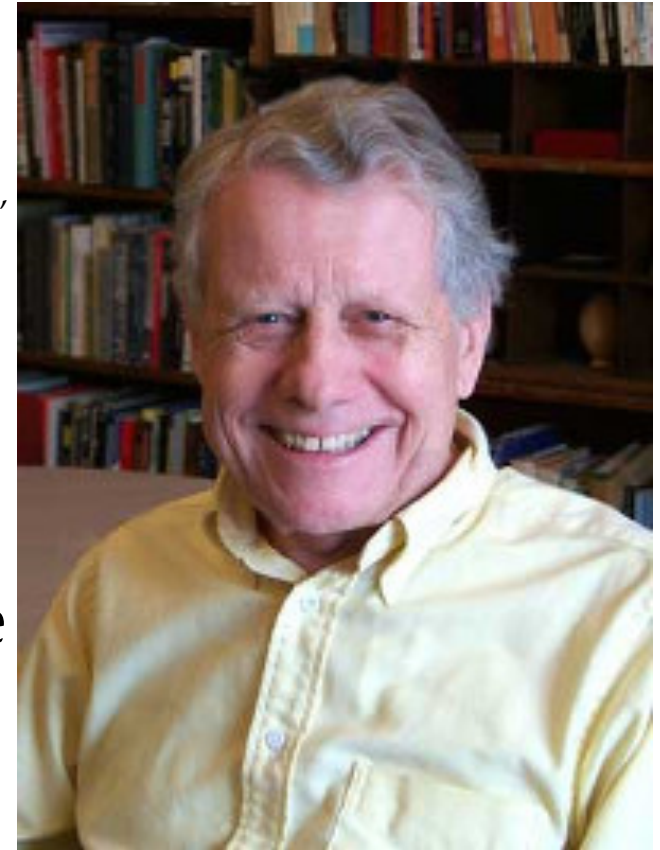
- Economic investment and production
- Essential political institutions / public goods
- Market management
- Infrastructure
- Education and other social programs

Historical drivers of state capacity development

- Interstate war
- Bargaining
- Administrative innovations
- Contingent evolution

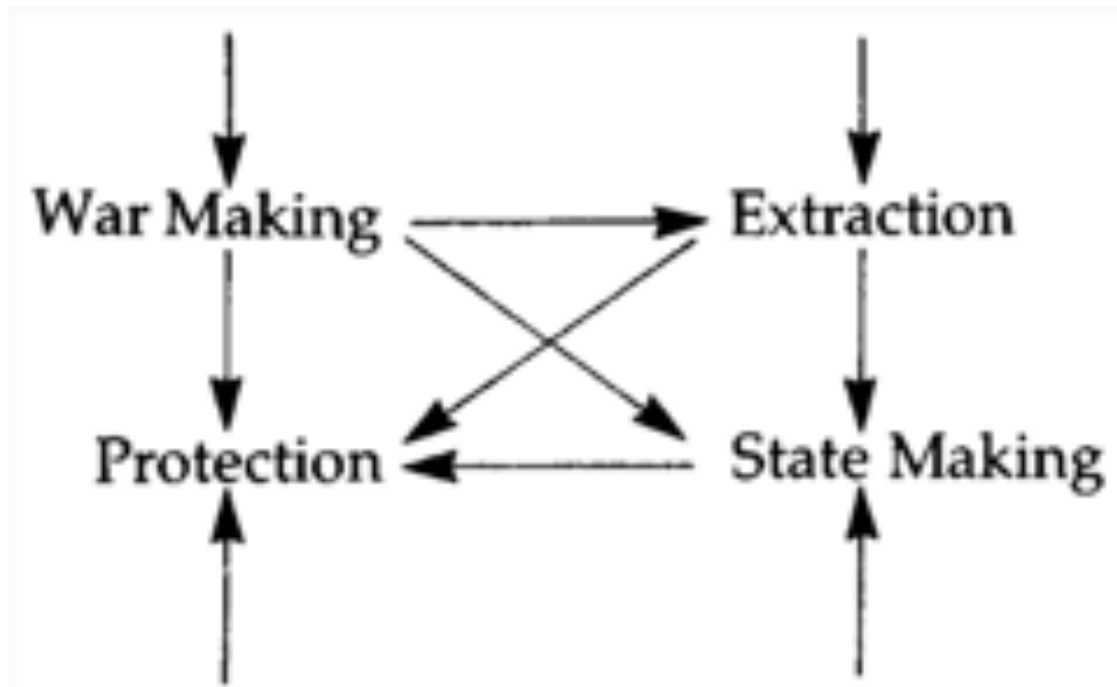
War in Europe according to Tilly

- “War made the state and the state made war”
 - Tilly, Charles. 1975. “Reflections on the History of European State Making.” In Charles Tilly (ed.), *The Formation of National States in Western Europe*. Princeton: Princeton University Press.
- Emergence of capable states in Europe:
 - Political dominance and war-making —> war-making capacity
 - Extraction of means of war —> extractive capacity
 - Elimination of rivals + alliance formation



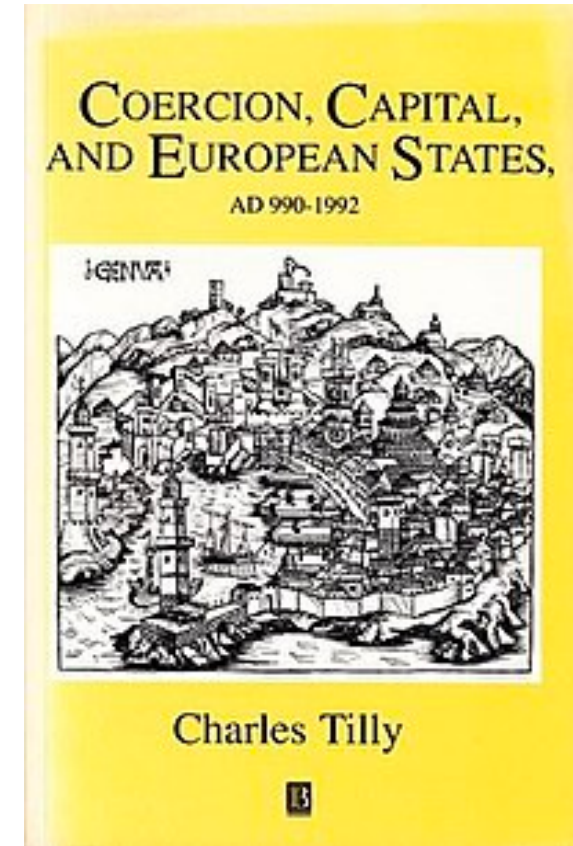
War in Europe according to Tilly

- The causal pattern of “the classic European state making experience”:



War in Europe according to Tilly

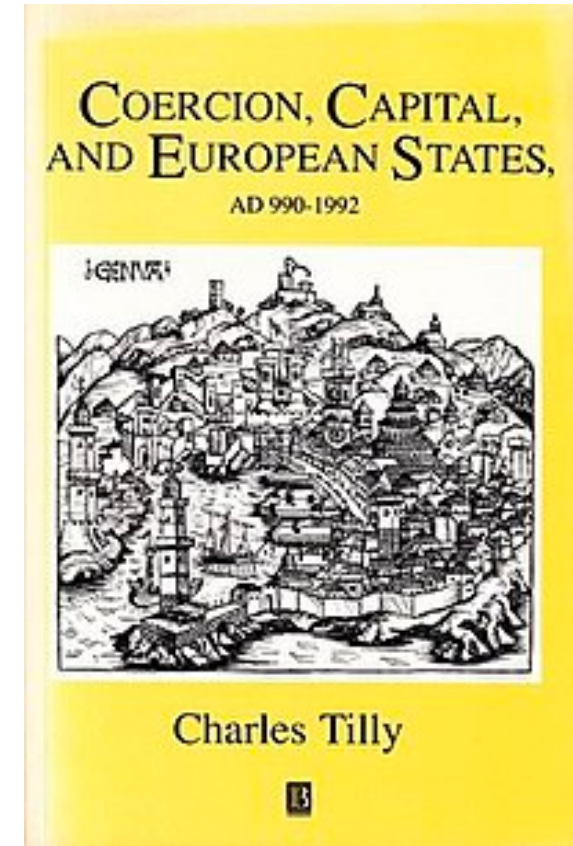
- Types of states:
 - Coercion-intensive
 - Capital-intensive
 - Capitalized coercion
 - Tilly, Charles. 1990. *Coercion, Capital, and European States, AD 990-1990*. Oxford: Blackwell, 1992



War in Europe according to Tilly

- Capitalized coercion states:
 - Popular resistance to extraction —>
 - Concessions (guarantees of rights, courts, representative institutions):
 - “[T]he pursuit of war and military capacity [...] as a sort of by-product, led to a civilianization of government and domestic politics.”

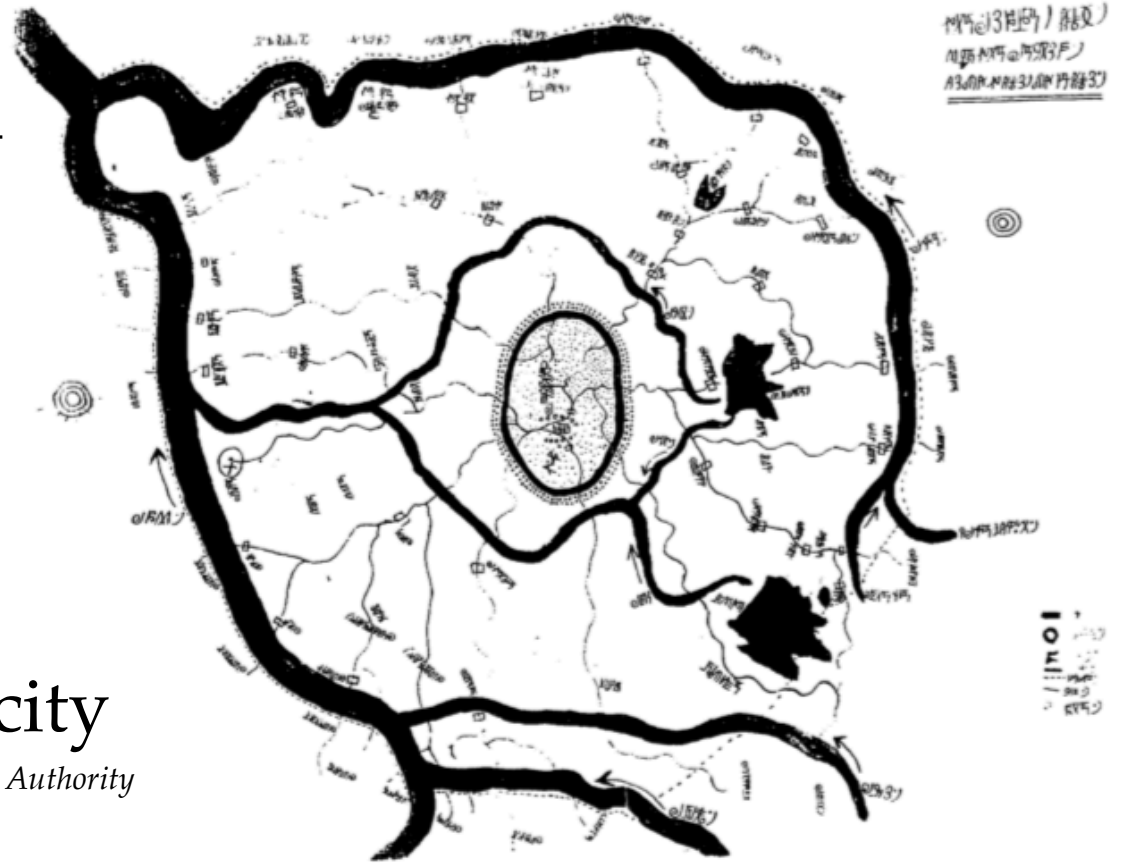
- Tilly, Charles. 1990. *Coercion, Capital, and European States, AD 990–1990*. Cambridge, Mass.: Basil Blackwell.



War in Africa according to Herbst

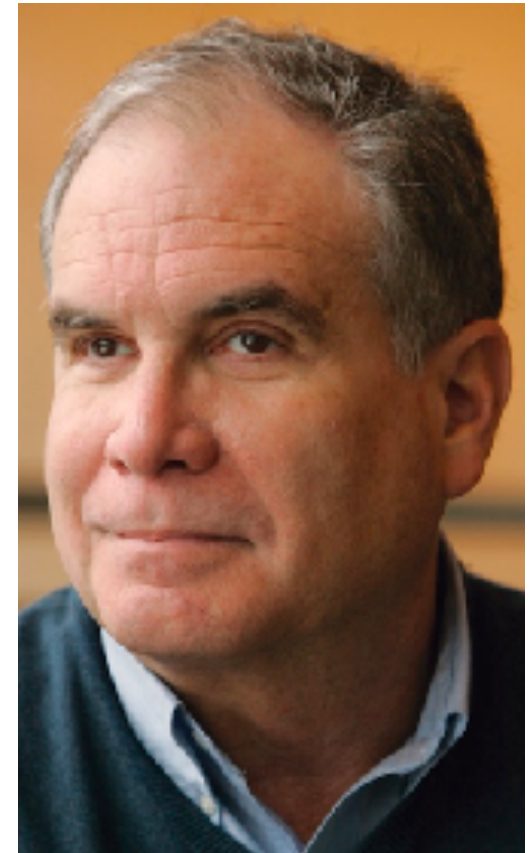
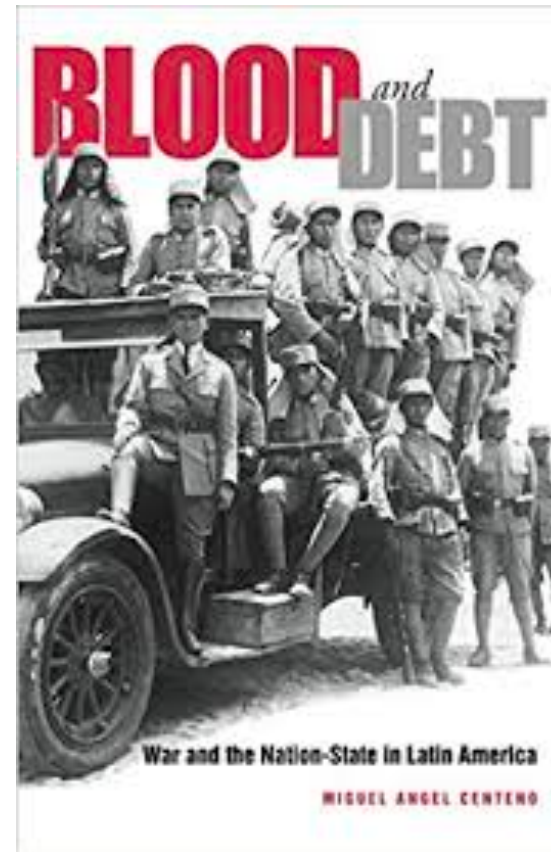
- High expense and limited benefits of projection of power +
- Rarity of interstate conflict in Africa —>
- Lack of external threats to state survival —>
- Direct control only over the political core and low state capacity

- Herbst, Jeffrey. 2000. *States and Power in Africa: Comparative Lessons in Authority and Control*. Princeton: Princeton University Press.



War in Latin America according to Centeno

- Blood and debt in Latin America vs. blood and iron in Europe
 - Centeno, MA. 1997. "Blood and Debt: War and Taxation in Nineteenth-Century Latin America." *American Journal of Sociology* 102 (6): 1565–1605.



Bargaining according to North & Weingast

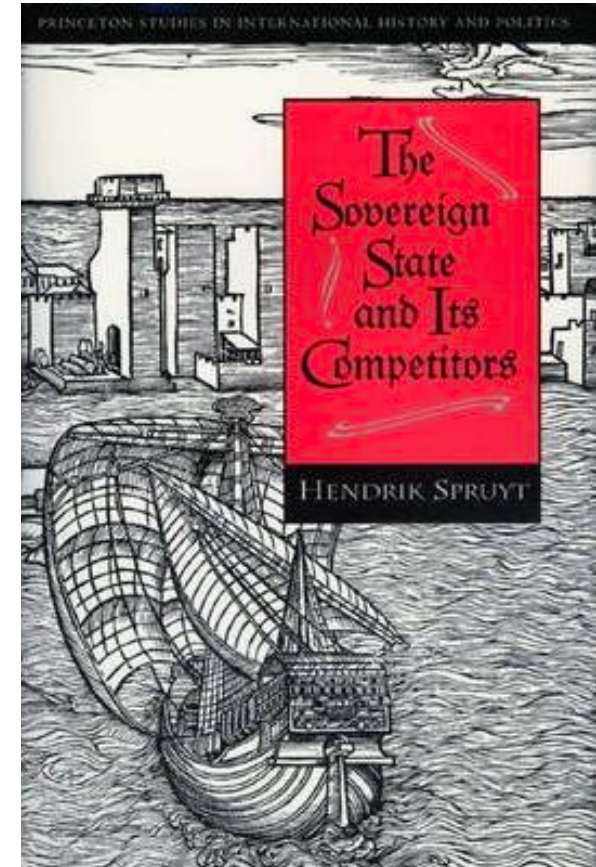
- Glorious Revolution (1688) in England —>
- Parliament-Crown negotiations —>
- Institutional reforms —>
- Enhanced the predictability of governmental decisions and better property rights enforcement —>
- Economic stability and long-term growth

- North, Douglass C., and Barry R. Weingast. 1989. "Constitutions and Commitment: The Evolution of Institutions Governing Public Choice in Seventeenth-Century England." *Journal of Economic History* 49(4): 803–32



Administrative innovations according to Spruyt

- Standardization of currencies and measures +
- Establishment of clearer borders —>
- Facilitation of administration and trade
 - Spruyt, Hendrik. 2005. *The sovereign state and its competitors: an analysis of systems change*. Princeton: Princeton University Press.



Contingent evolution according to Fukuyama

- Natural human sociability:
 - Kin selection
 - Reciprocal altruism —>
- Patrimonialism
- Impersonal institutions as the basis of modern states —>
- Necessity, and rarity, of depatrimonialization
- Complex, contingent historical processes —> institutional variation

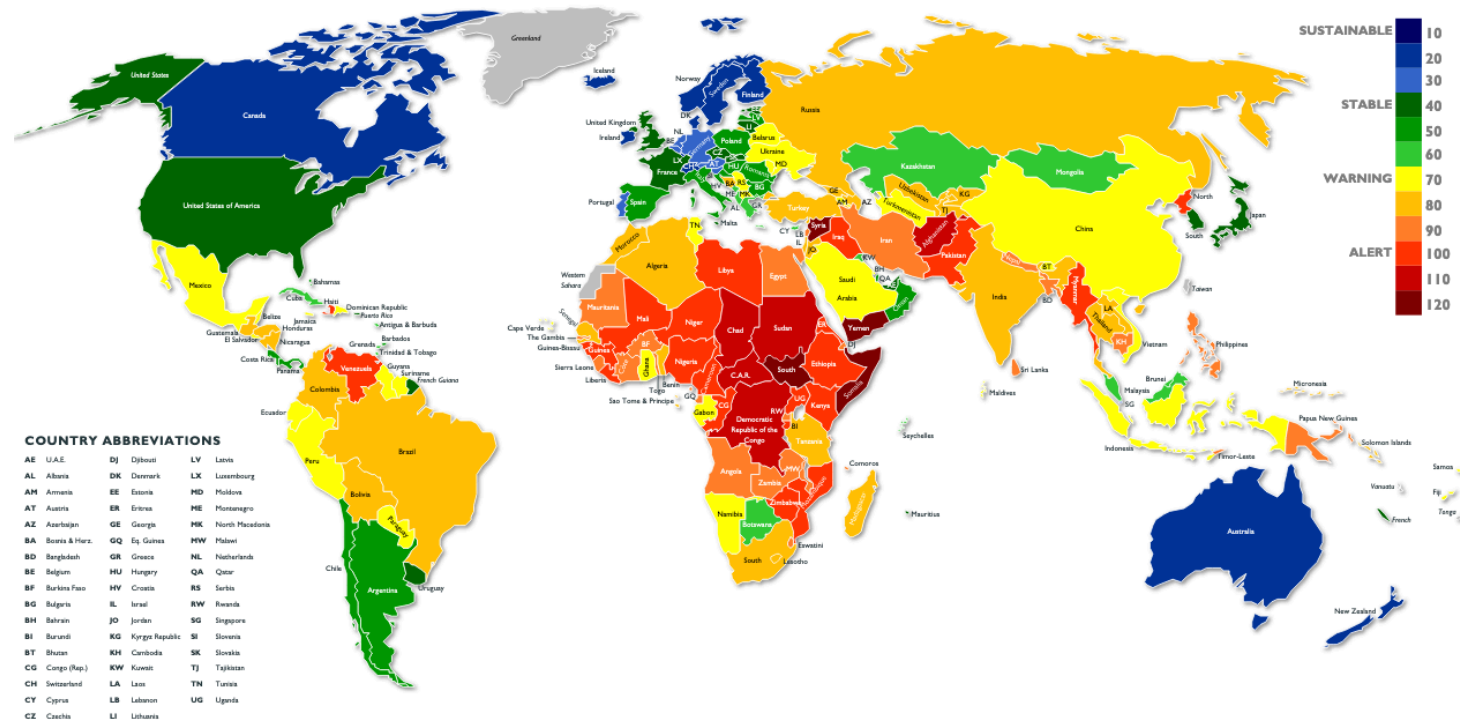


- Fukuyama, Francis. 2011. *The origins of political order: from prehuman times to the French Revolution*. New York: Farrar, Straus and Giroux.
- Fukuyama, Francis. 2014. *Political order and political decay: from the Industrial Revolution to the globalization of democracy*. New York: Farrar, Straus and Giroux.

Outcomes of political development



THE WORLD IN 2020



Outcomes of political development

- Andrews et al.:
 - Very weak or weak state capacity in 49 of the 102 historically developing countries
 - Deteriorating state capacity in 36 of the 102
 - Deteriorating state capacity 31 of the 45 countries with medium state capacity
 - Attainment of high state capacity limited to 8 historically developing countries

• Andrews, Matt, Lant Pritchett, and Michael Woolcock. 2017. *Building state capability. Evidence, analysis, action*. Corby: Oxford University Press.

Takeaways

- State capacity as the product of incentives to invest in state capacity in specific historical conditions contingent on particular *longue durée* historical processes