

Order & Violence (Political Economy of Development)



Week 3: Order through States
Chris Blattman

Week 3 objectives

1. Early states emerge as rule becomes rulers develop personal rule, based on relationships, over people and sometimes defined territory
2. Moderns states have more depersonalized rule, more tax capacity, professionalized bureaucracies, and a greater ability to shape society
3. Early states tended to emerge in the places that favored to population growth and economic specialization and trade
 - This can help us understand a lot of global variation by about 1500
4. The places that fostered many dense hierarchical states (or state systems) also fostered competition that selected stronger over weaker states
 - States that could better raise taxes and armies dominated those that did not
5. The modern state is in many ways an unintended consequence of competition within and between societies
6. These explanations do a better job of explaining why there are weak states today than what path these weak states can follow in future

Part I: Some concepts and definitions

Recall the different ways to organize our thinking about political development

Outcomes:

- Order
 - Protection from violence
 - Access to justice
 - Stable, predictable rules and policies
- Equality
 - Mass participation
 - Preferences aggregated and represented
 - Rule of law
- Ability to act collectively to shape society

Structures:

- States
 - Centralized, rule-governed, depersonalized authority
 - Monopoly of legitimate violence
- Bureaucratic organizations and public administration
 - Efficiently manage complex tasks
 - Legal, rule-based, calculable
 - Able to shape society
- Institutions
 - Complex, adaptable, coherent, shared rules (formal & informal)
 - Constraints on power

What is a state?

What is a bureaucracy?

What is an institution?

What's the difference?

The state: The minimalist definition



“ *The state is a human community that successfully claims a monopoly on the legitimate use of physical force within a given territory.*

- Max Weber

Strong versus weak states

- **Failed state** – a state where sovereignty over claimed territory has collapsed or was never established
- **State effectiveness** – The ability of the state to implement its decisions and goals, such as
 - Provide order
 - Deliver public goods: infrastructure, exchange, justice
 - Shape markets and society
 - Capable of administering larger and larger numbers of more technically and logistically complex tasks

We usually explain state effectiveness in terms of bureaucracy and public administration

Specialized and hierarchical administrative structures that govern

Max Weber famous for his “ideal types”

1. Traditional/patrimonial
 - Rules and power are technically arbitrary because they come from the ruler
 - Hiring, firing and promotion based on personal connections
2. Rational and legal
 - Staffed by professionals
 - Meritocratic hiring, firing, and internal promotion
 - Governed by legal rules



Raising revenue is also one of the most basic tasks of any state



Before states can protect citizens, provide justice, or administer a bureaucracy, they must raise money

- “Fiscal capacity”: A broad tax base and an ability to collect
- Mobilizing resources is not just a technical exercise. It involves overcoming domestic opposition.

“

the power to tax lies at the heart of state development.

...The central question in public finance and development is:

“how does a government go from raising around 10% of GDP in taxes to raising around 40%”?

– Besley & Persson (2012), “Public Finance and Development

A crude way to think about state development

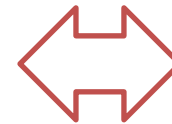
“Stateless”

Chieftoms, bands, and other small political units, often with informal systems of rule



“Early states”

Larger, more hierarchical, patrimonial, often coercive political authority(ies) that may only loosely control the people



“Modern state”

More centralized, rule-governed, bureaucratic, depersonalized, political organizations with more social and sovereign territorial control

Olson
Herbst
Mukhopadhyay

Tilly
Weber
Fukuyama

Earliest forms of statehood revolved around some kind of personal kingship (Spruyt 2002)

- State was based on personal ties of loyalty: Aristocracy (warlords) loyal to the king as a person not as an office
 - Loyalty depended on the king's ability to distribute booty and largesse
 - Control of a warlord over vassals based on social networks and bundle of rights and obligations rather than legal control of a territory
- The king's household, staff, and personal budget were the state's staff and budget
 - Formal administrations (salaried officials, legal frameworks, taxes) hardly existed



*Henry II of England (1133 – 1189 AD)
Restored and expanded his empire
through much of Britain and France, which
collapsed under rebellion and succession*

Rule over people not states (Spruyt 2002)

- Borders poorly defined, as kings ruled over people not territory
 - Clovis the Merovingian (late 5th century) ruled as “King of the Franks” but less than a 1000 years later the Capetians were “Kings of France”
 - In the Early Middle Ages, there was Rex Anglorum (King of the English), but by Late Middle Ages, he had become Rex Anglie (King of England)



Even as late as the 18th century, even France still had many characteristics of an “early state”, especially far from the capital

“

They had locally appointed officials – an agent to collect taxes and a guard to police the community. But laws, especially those relating to inheritance, were widely ignored and direct contact with the central power was extremely limited.

The state was perceived as a dangerous nuisance: its emissaries were soldiers who had to be fed and housed, bailiffs who seized property and lawyers who settled property disputes and took most of the proceeds.

Being French was not a source of personal pride, let alone the basis of a common identity. Before the mid-nineteenth century, few people had seen a map of France and few had heard of Charlemagne and Joan of Arc.

France was effectively a land of foreigners.

—Graham Robb (2008) “The discovery of France”

Modern day "weak states" likewise have many characteristics of early states



A weak central state maintains order via a fragile and personalized coalition of local power brokers: warlords

(Mukhopadhyay Chapter 1)

“*The political center in Kabul was not (and has never been) a collection of formal, bureaucratic institutions working in concert to penetrate the unwieldy periphery of wayward warlords, defiant mullahs, and rebellious tribal chieftains.*

It was, instead, a political center operating largely in the neopatrimonial image, and, much like many of its predecessors, forging links to the countryside through partnerships with power holders who could sometimes expand the scope of the state by engaging it.



Jamaluddin Badar, Nuristan governor (prosecuted for corruption)

Lutfullah Mashal, Langham governor (writer and poet)

Gul Agha Sherzai, Nangarhar governor (major anti-Taliban warlord and US ally, suspected of opium trafficking)

De facto versus *de jure* states:
In fact versus recognized in law



Arguably it is the warlords who are the *de facto* states. It just doesn't match the *de jure* state.

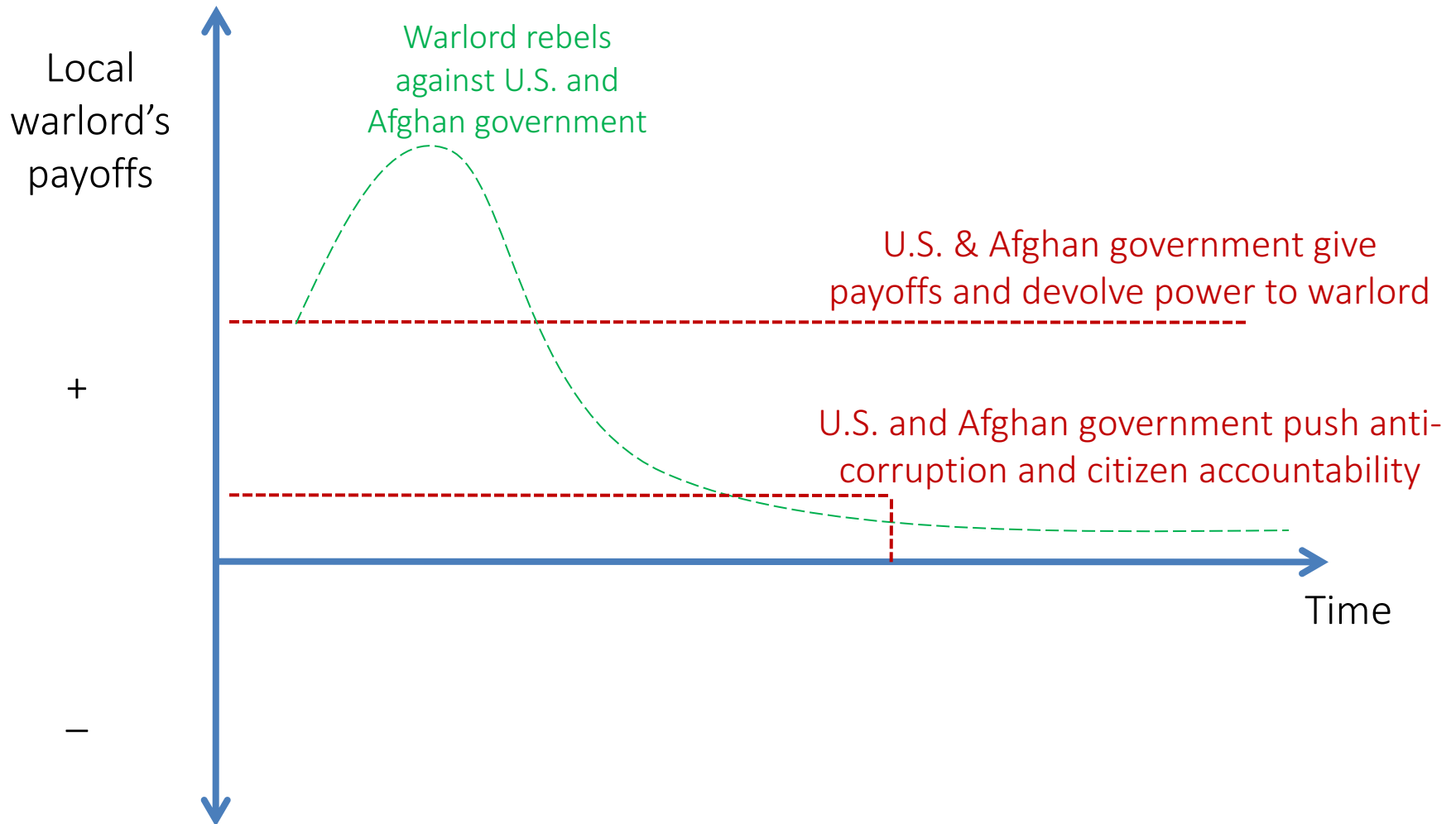
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...the mere articulation of a democratic, centralized state would prove inadequate to shift the center of gravity in this state formation project from the provinces to Kabul.

From the stockpiles of small arms to the capital derived from illicit economic activity and cross-border trade, the periphery was privileged vis-à-vis the center with respect to coercion and capital.



So how is the de jure state trying to consolidate power? Co-opt rather than eliminate competing elites

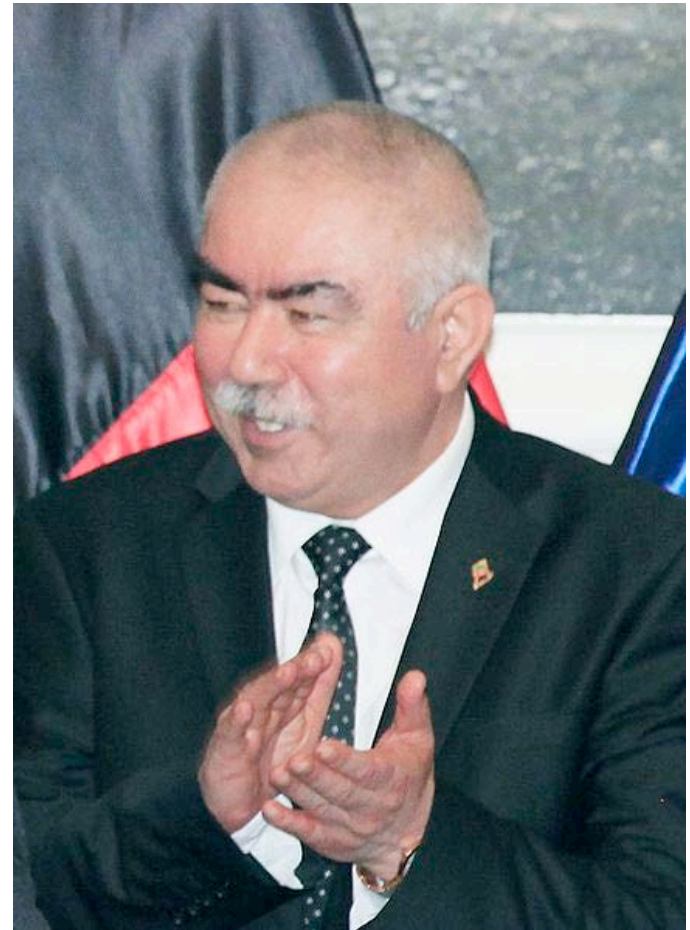


The alternative to patrimonialism (“corruption” to some) may be disorder

“

Strongman governance represented a suboptimal outcome from the perspective of those who had hoped for the emergence of a democratic, liberal state in Afghanistan.

Yet, in the absence of a preexisting institutional architecture linking Kabul to the countryside, one of the Karzai regime’s best bets to claim authority beyond the palace was the negotiation of credible quid pro quo arrangements transforming some of its potential enemies into governing partners.



Abdul Rashid Dostum, VP of Afghanistan

Societies do not progress steadily. Historically they have moved back and forth over time.

“Stateless”

Chiefdoms, bands, and other small political units, often with informal systems of rule



“Early states”

Larger, more hierarchical, often coercive political authority(ies) that may only loosely control the people



“Modern state”

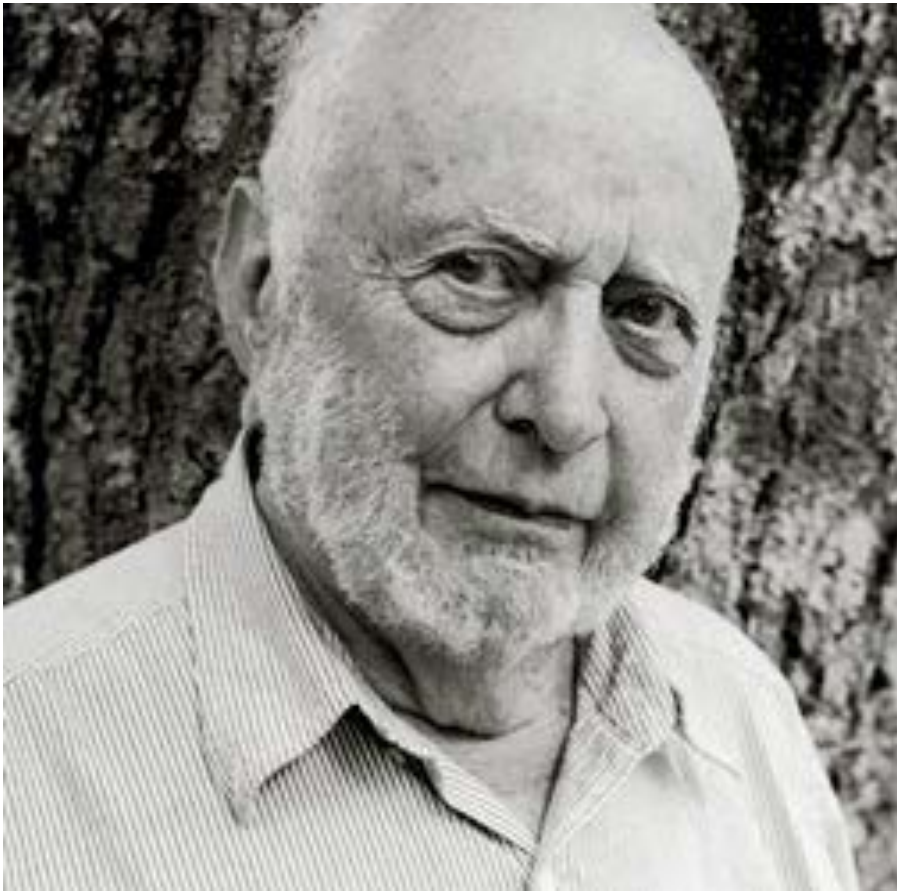
More centralized, rule-governed, bureaucratic, depersonalized, political organizations with more social and sovereign territorial control

In addition to not having a single definition of state, there are terms not to be confused with states:

- **Government** – the organization that has the authority to act on behalf of a state, and the right to make decisions that affect everyone in a state
- **Nation** – A cultural grouping of individuals who associate with each other based on collectively held political identity
- **Society** – Organized groups, social movements, interest groups, and individuals autonomous from the influence and authority of the state
- **Institutions...**

“ *Institutions are the rules of the game and organizations are the players.*

— Douglass North (1994)



Formal versus informal rules

Formal, written institutions

- Constitutions
- Civil and criminal courts
- Legal rules and laws
- Police
- Property titling agencies

“Parchment institutions”



Constraining institutions

“A set of rules, compliance procedures, and moral and ethnical behavioral norms designed to **constrain** the behavior of individuals in the interests of maximizing the wealth or utility of principals.”

—D. North (1981), *Structure and Change in Economic History*

Examples: Constitutions, division of government, treaties, bill of rights, social norms, ...

Some different terms floating around for different constraining institutions

- **Inclusive versus extractive institutions** – Acemoglu & Robinson
- **Open versus limited access orders** – North, Wallis & Weingast
- **Democracy versus dictatorship** – Moore, Many political scientists

Part II: When and why do early states emerge?

“Stateless”

Chieftoms, bands, and other small political units, often with informal systems of rule



“Early states”

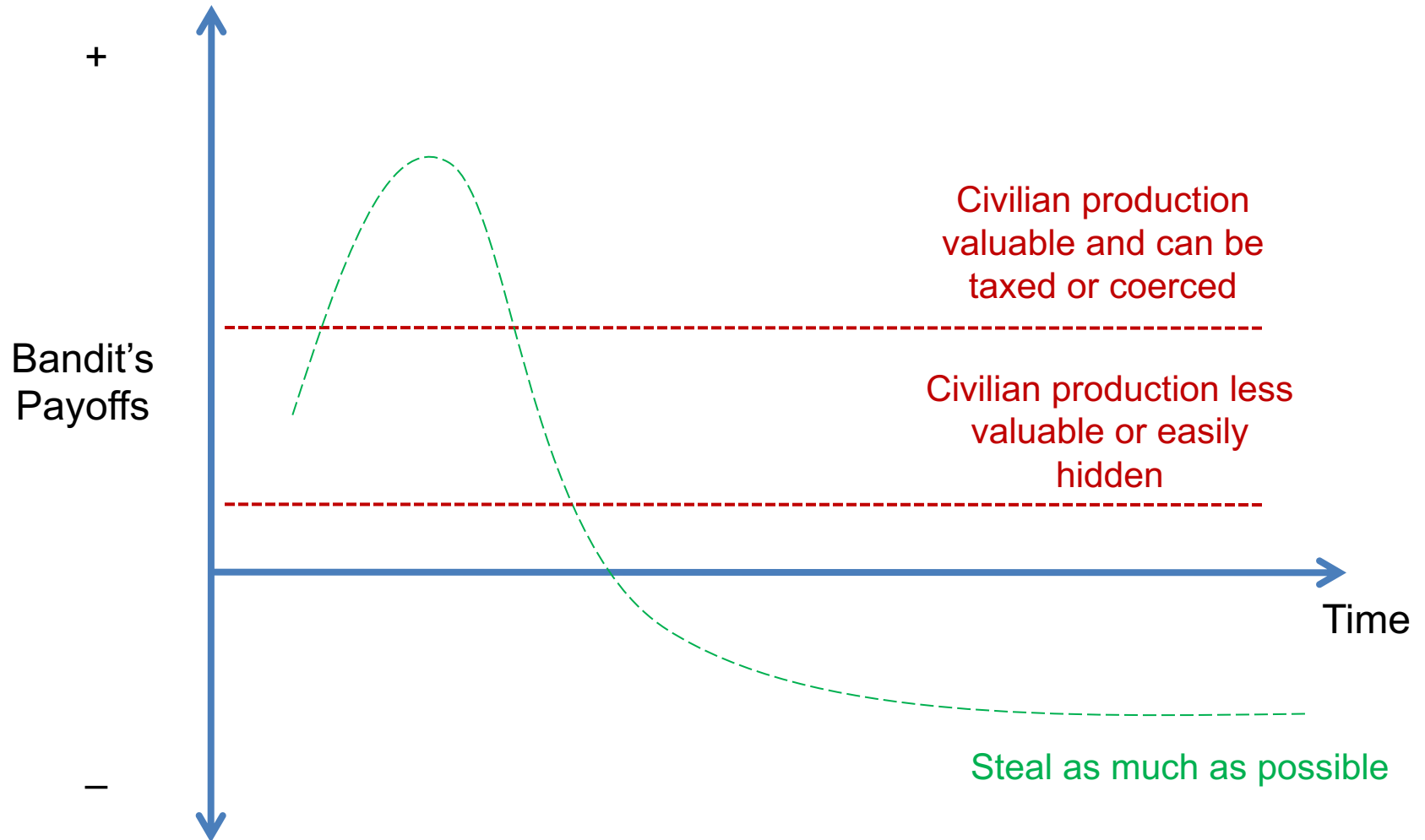
Larger, more hierarchical, often coercive political authority that may only loosely control people



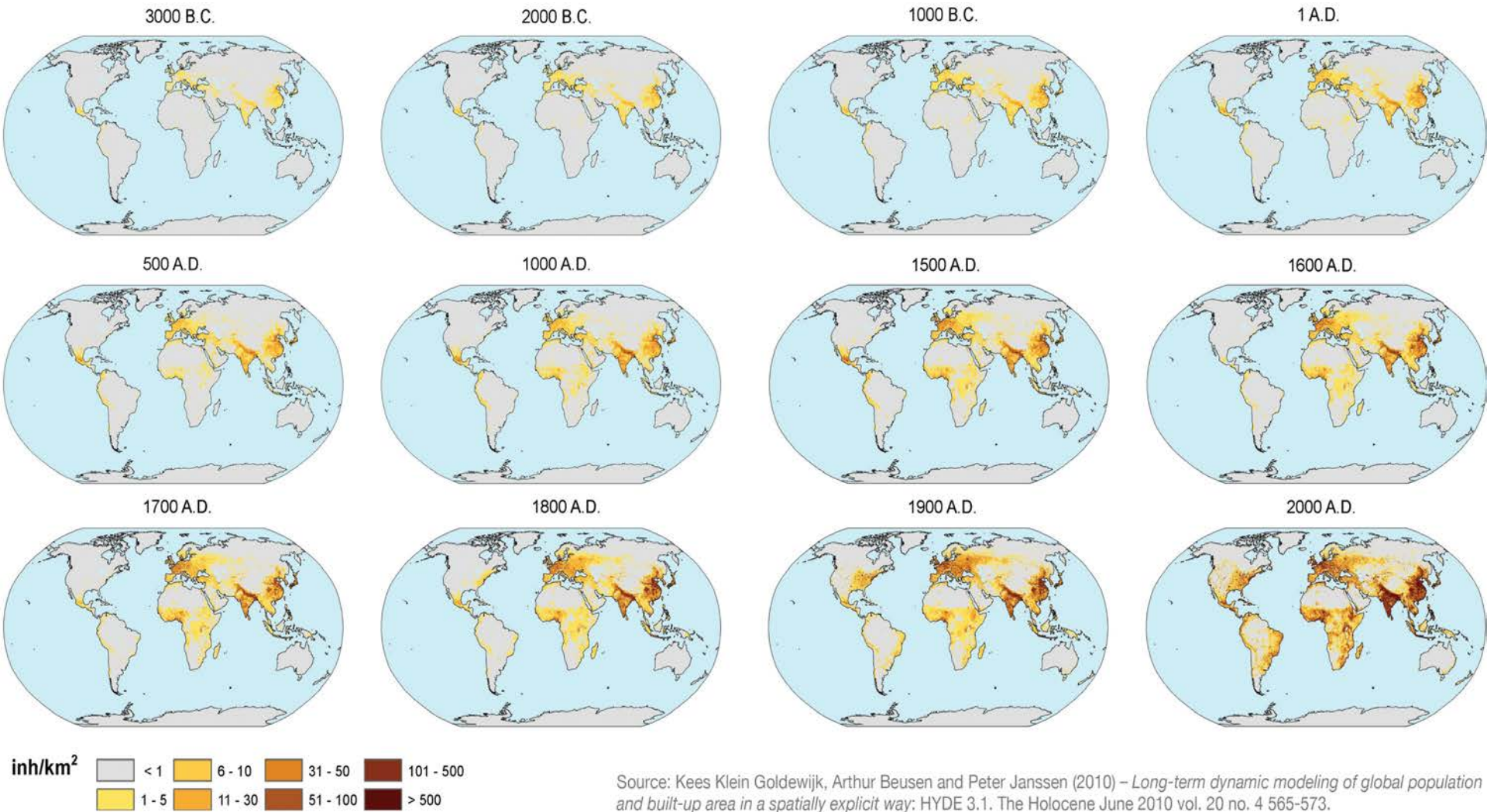
“Modern state”

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In Week 1, we discussed the economic incentives for stationary bandits to emerge and compete. So the question becomes: where do those economic incentives arise?

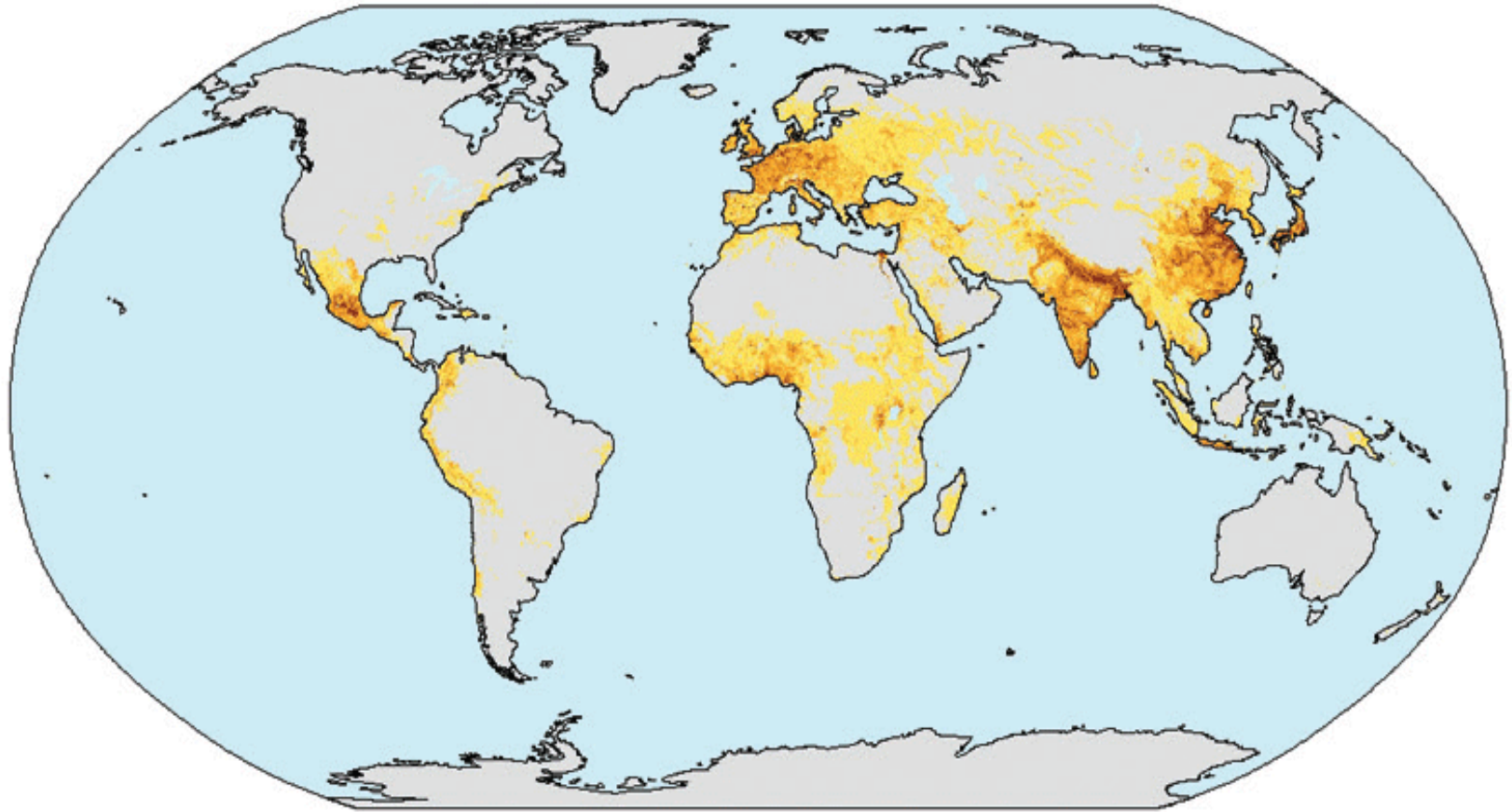


Population density is a good guide to early state formation because states are (almost by definition) dense, settled, hierarchical societies



1500 is a common “pre-modern” benchmark

1500 A.D.



The important role of natural endowments: Geographic factors that foster population growth and opportunities for economic exchange

What gives rise to population density, economic specialization, and rudimentary economic development

1. Natural trade advantages

- e.g. Navigable rivers, coastal access, near potential trading partners, smooth terrain

2. Access to domesticable animal and plant species

- Combined with suitability of climate to agriculture, plus continental axes and the ease of species diffusion

3. The disease environment

- Mortality risk for humans and livestock
- Also disease as a societal “weapon”

1. Natural trade advantages

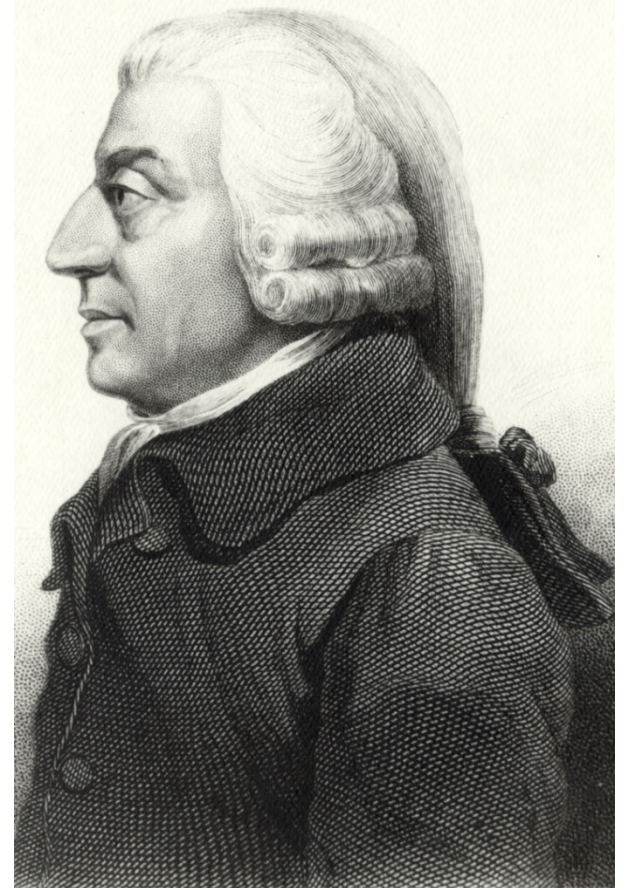
Economists since Adam Smith have associated trade with economic and political development

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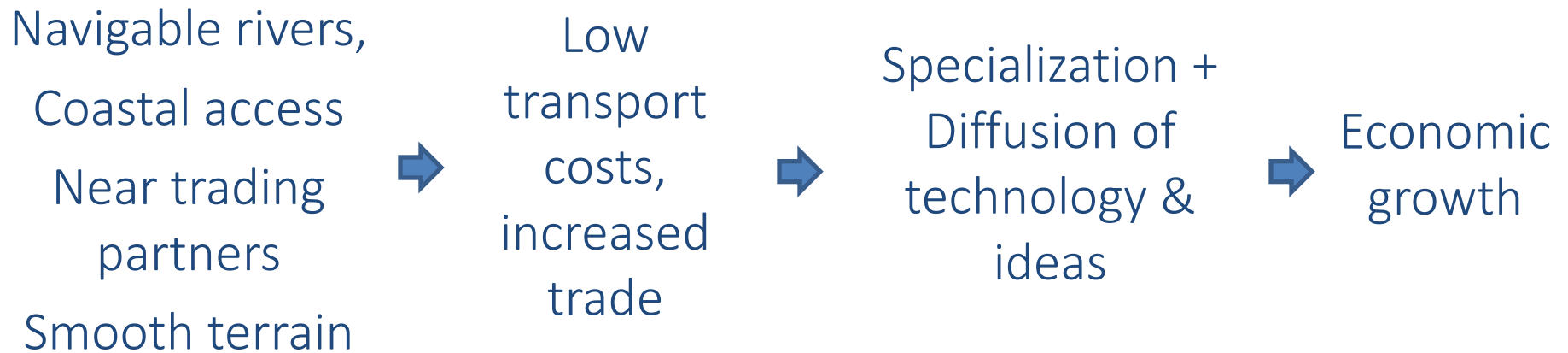
All the inland parts of Africa, and all that part of Asia which lies any considerable way north of the Black and Caspian Seas... seem in all ages of the world to have been in the same barbarous and uncivilized state in which we find them at present...

There are in Africa none of those great inlets ... to carry maritime trade into the interior parts of that great continent...

*—Adam Smith, *Wealth of Nations* (1776)*



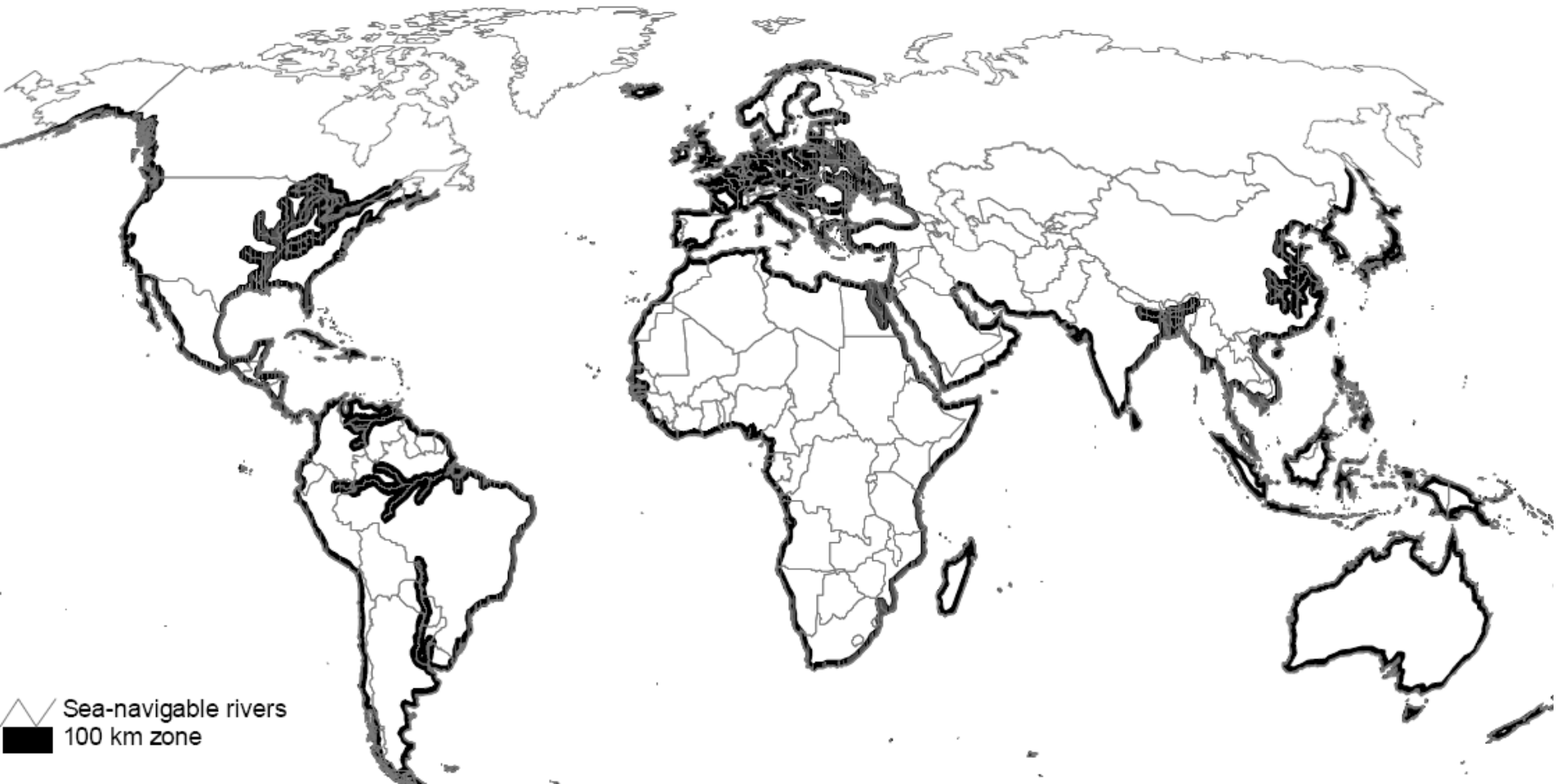
Geography confers certain trade advantages to some parts of the world over others



- State development is endogenous to this process: Specialization and trade needs order and low transaction costs to emerge, and also provides a base of revenue (and incentives) for the state to exist

How do these natural advantages vary around the world?

Land within 100km of an ice-free coast or navigable river with coastal access

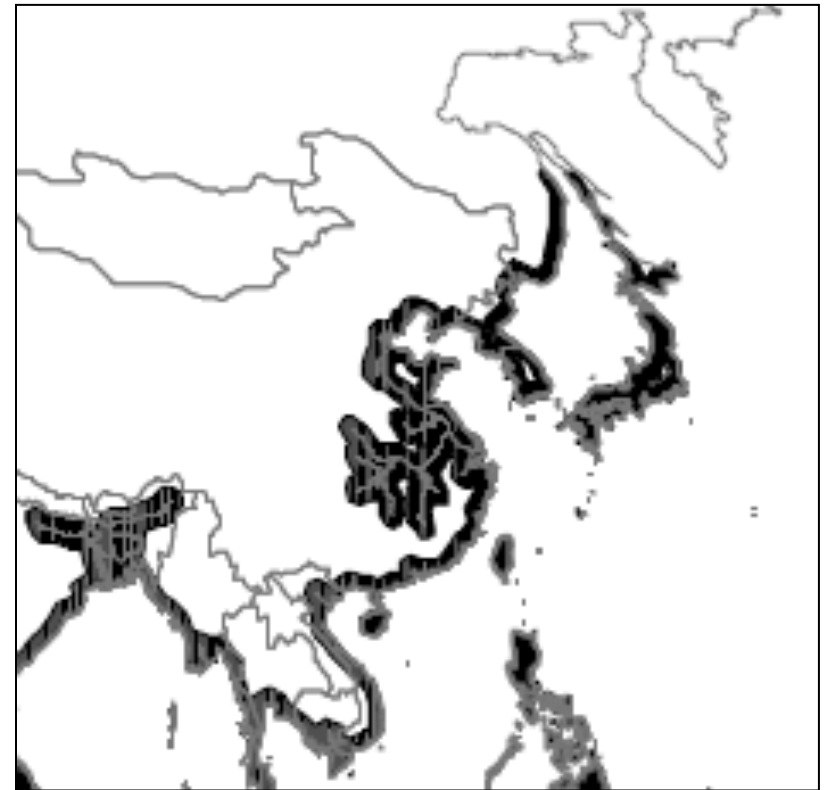


Unlikely to be coincidence that some of the most hierarchical, centralized states emerged in areas with natural trade advantages

Europe



China & Japan



Contrast to Africa,
which developed
fewer centralized
hierarchical states



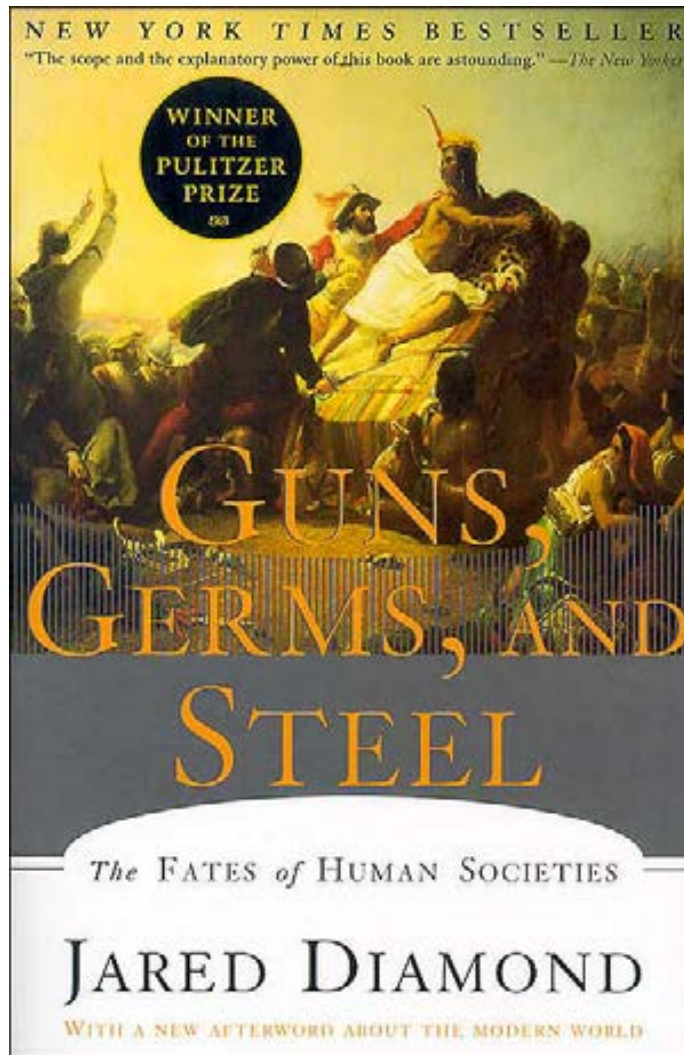
Many of the early states that did form in Africa were located near major inland lakes and waterways (none of which had coastal access)

Selection of historical states

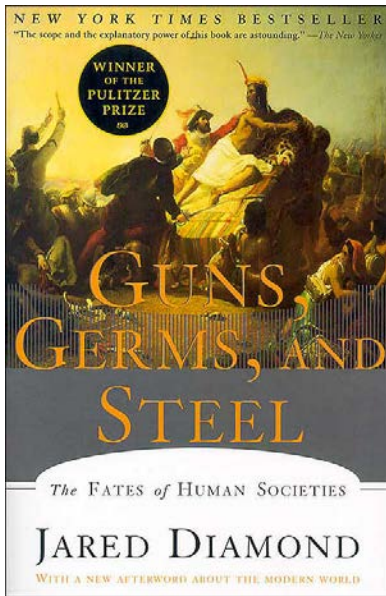
Population density, early 1900s



2. Domesticable animal and continental axes

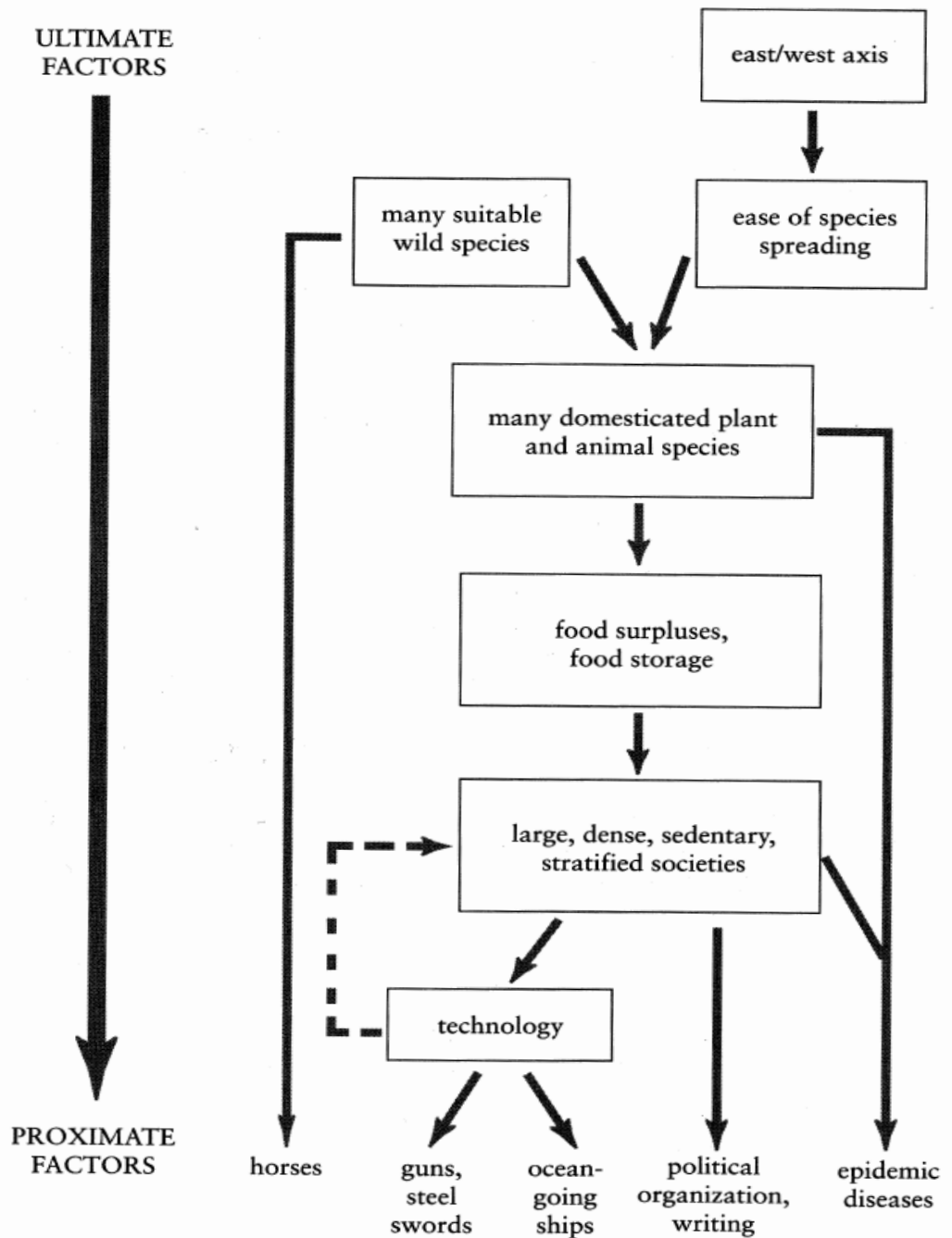


- Jared Diamond is an evolutionary biologist
- He asked why, by the 1500s and 1600s, Europe was technologically and economically advanced enough to conquer most of the world?
- He links inequality in world income, technology, and state development in 1600 (or so) to geographic endowments



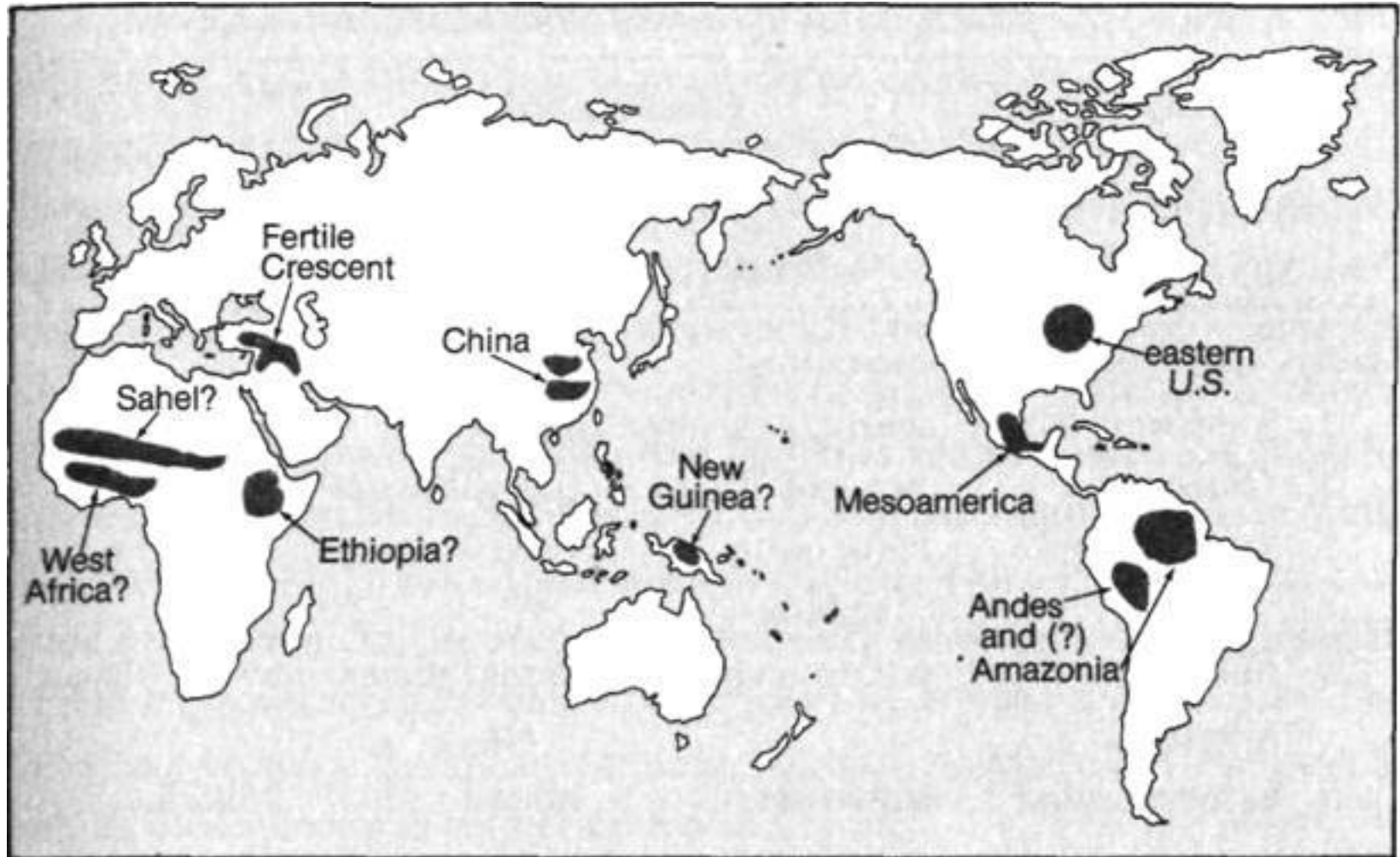
(p.87)

Factors Underlying the Broadest Pattern of History



Prehistoric centers of food production

Figure 5.1



Nonetheless, species of nutritious grains were unequally spread around the prehistoric world

TABLE 8.1 World Distribution of Large-Seeded Grass Species

<i>Area</i>	<i>Number of Species</i>
West Asia, Europe, North Africa	33
Mediterranean zone	32
England	1
East Asia	6
Sub-Saharan Africa	4
Americas	11
North America	4
Mesoamerica	5
South America	2
Northern Australia	2
	<hr/>
	Total: 56

So was the distribution of large mammals that could be domesticated for agricultural or transport purposes

TABLE 9.2 Mammalian Candidates for Domestication

	<i>Continent</i>			
	Eurasia	Sub-Saharan Africa	The Americas	Australia
Candidates	72	51	24	1
Domesticated species	13	0	1	0
Percentage of candidates domesticated	18%	0%	4%	0%

A “candidate” is defined as a species of terrestrial, herbivorous or omnivorous, wild mammal weighing on the average over 100 pounds.

A society had more access to foreign species if they shared the same ecological zone

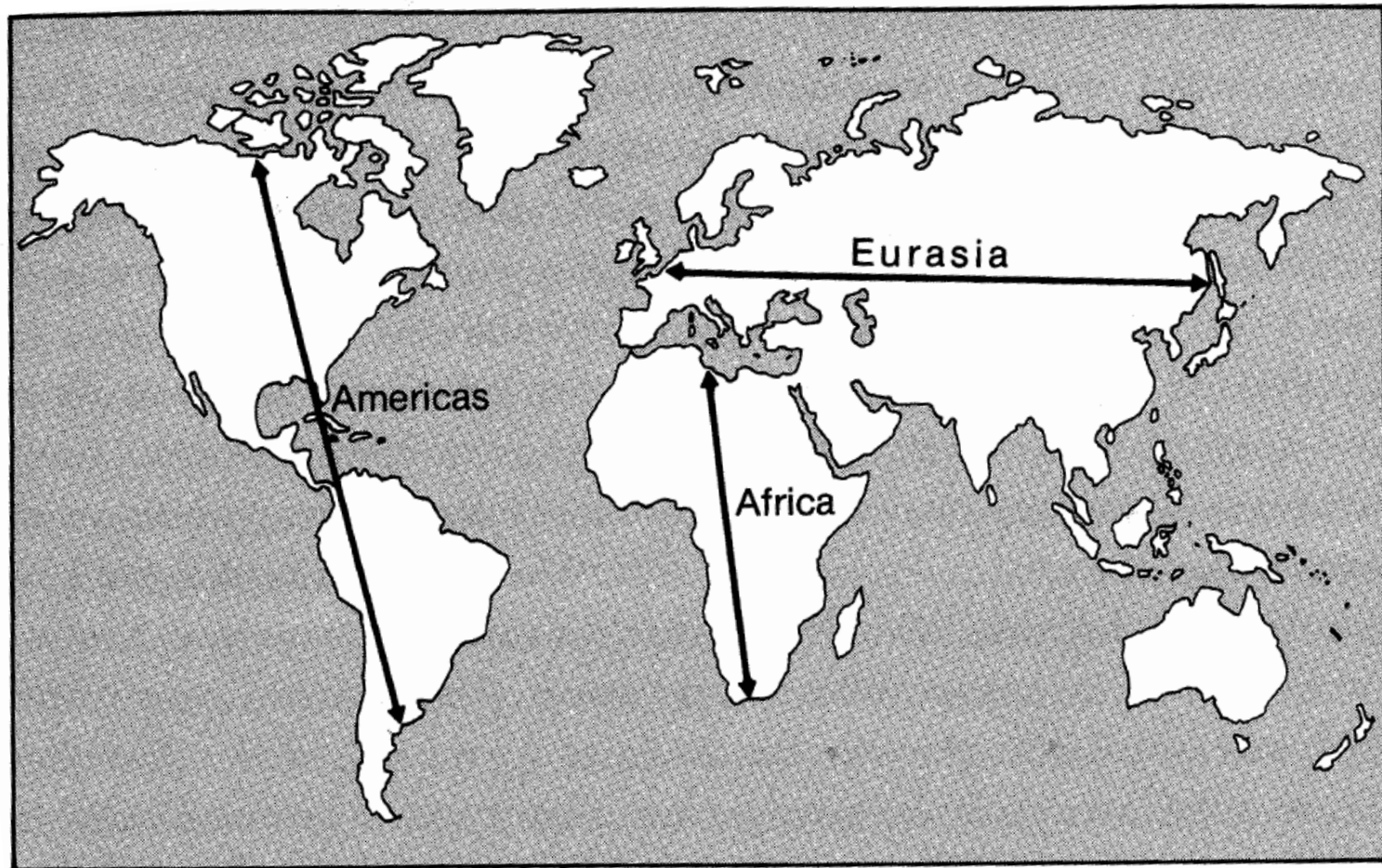
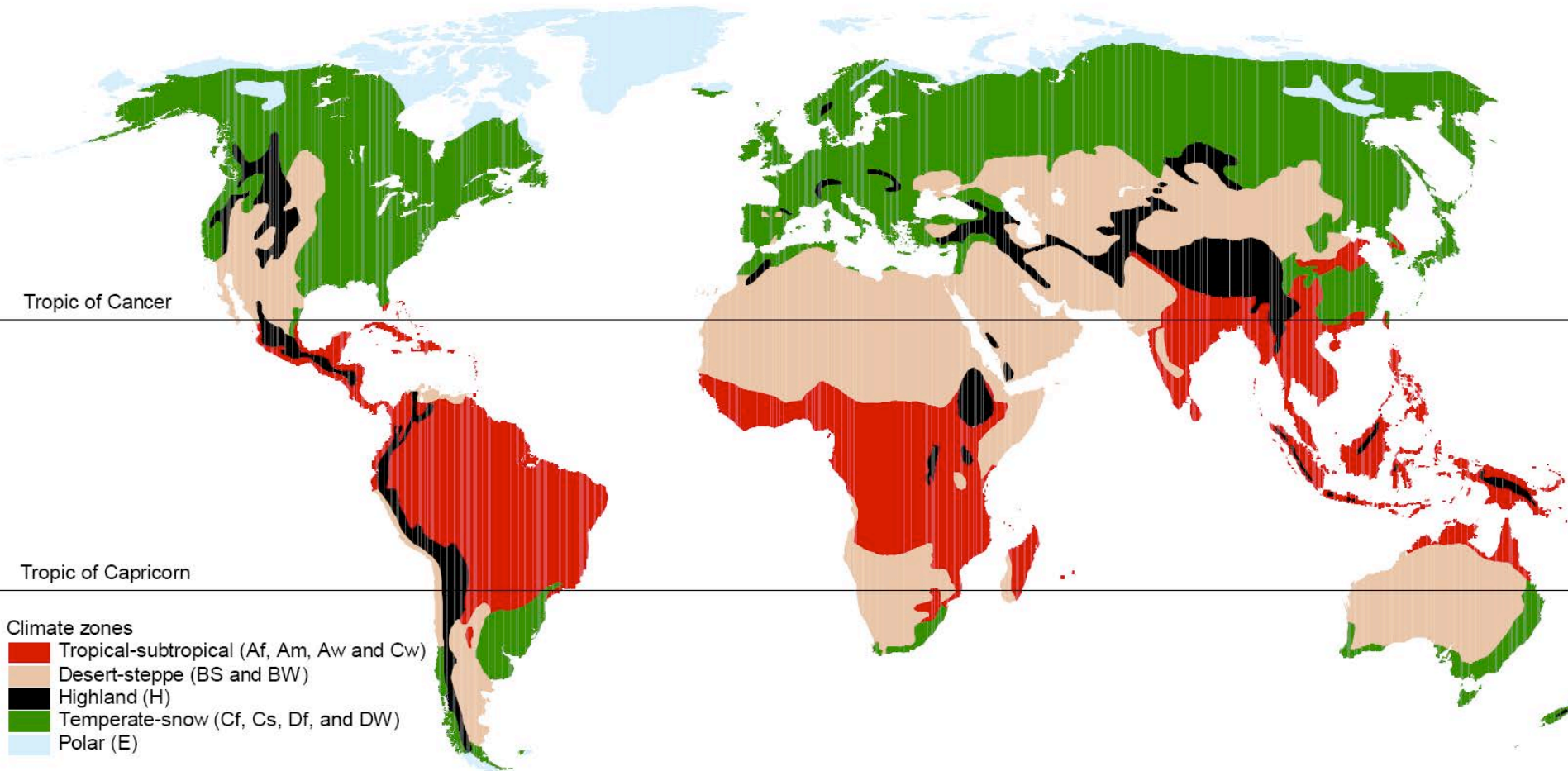
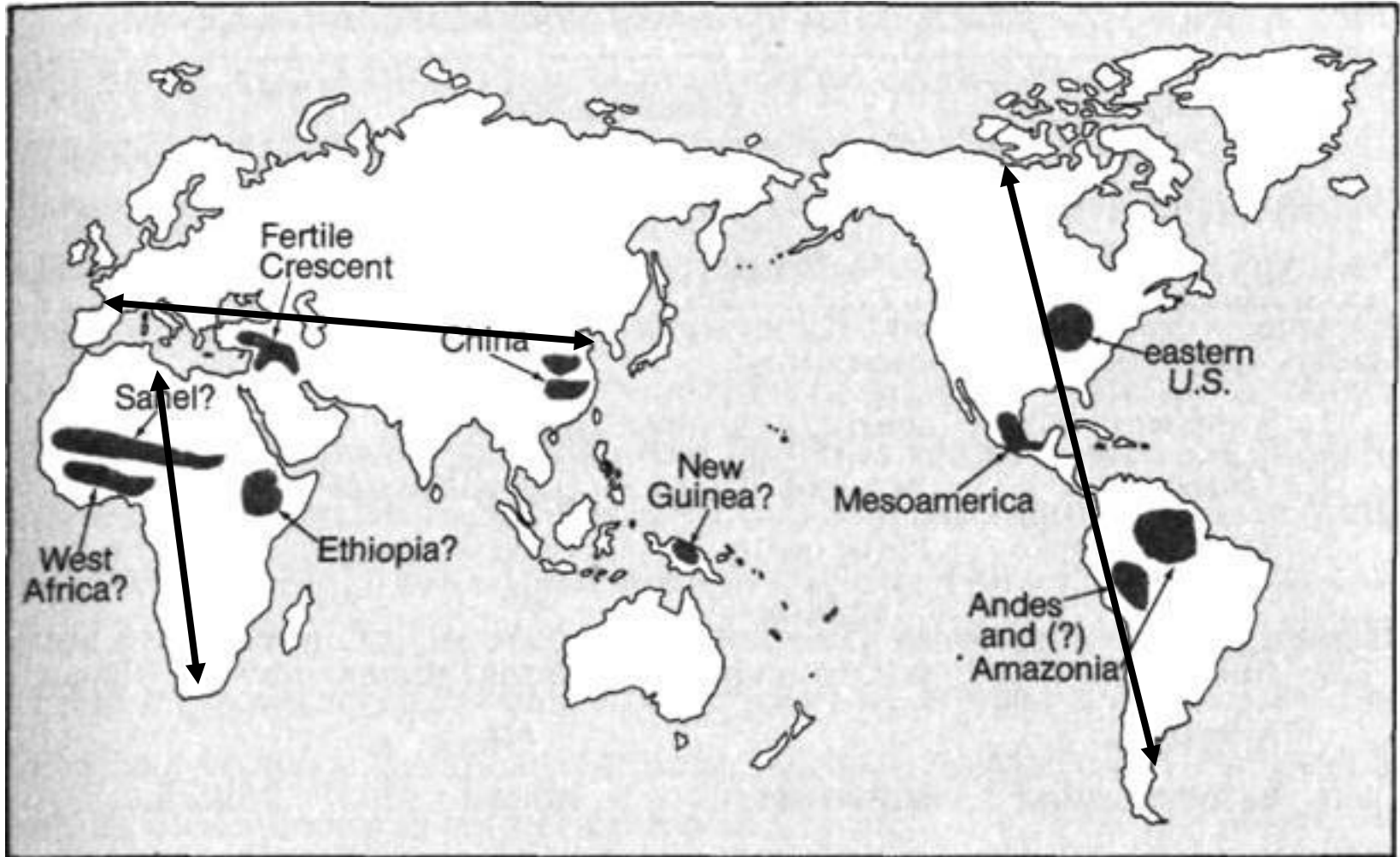


Figure 10.1. Major axes of the continents.

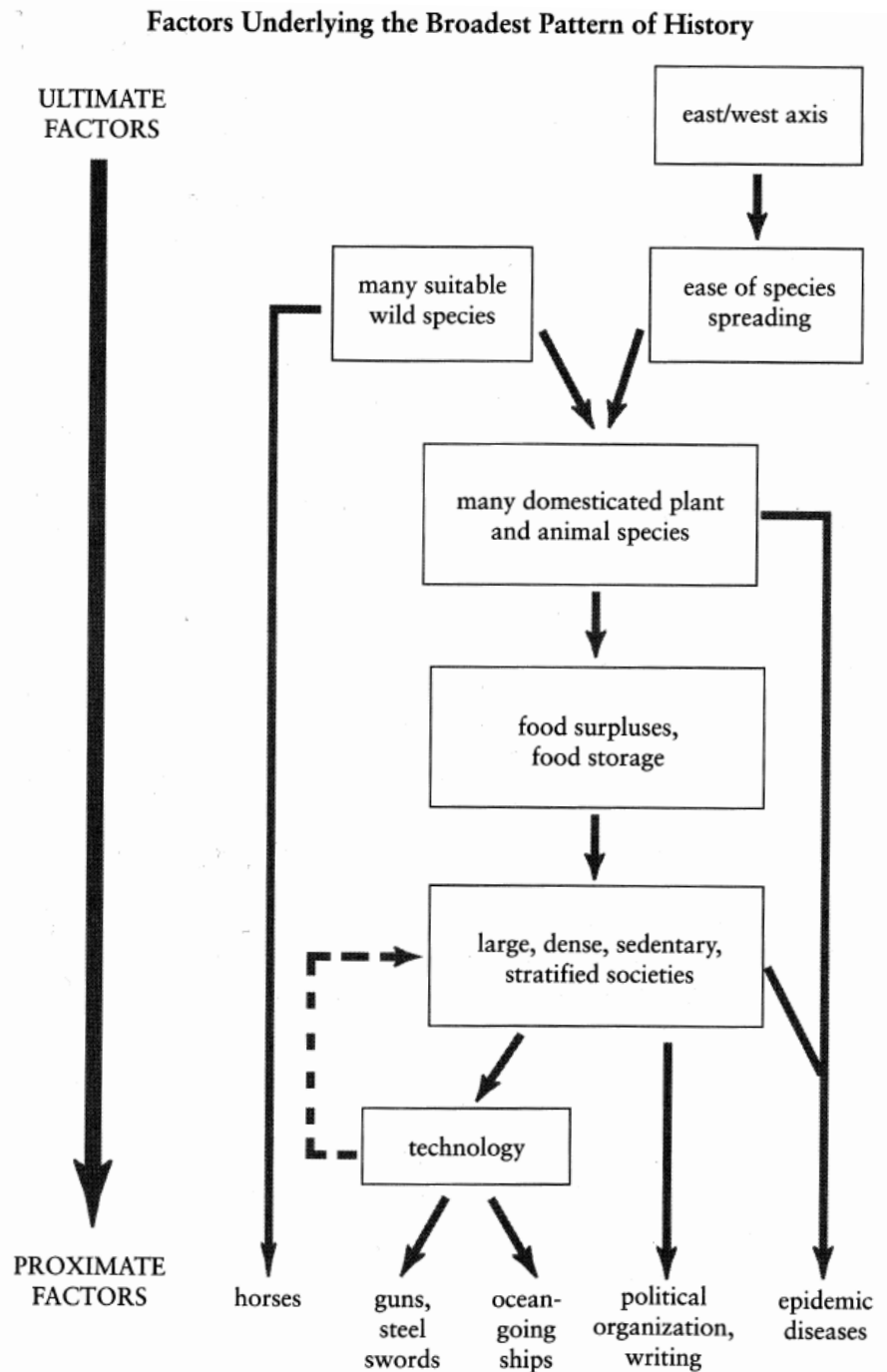
Before the invention of ocean-going ships, species crossed climate zones with difficulty



So which innovations do we expect to spread most easily?



Thus by 1500 Eurasian temperate areas are more densely settled, productive societies with incentives for political centralization



3. Tropical areas in general (and Africa in particular) had other constraints on population growth: Endemic disease

e.g. Distribution of potential malaria transmission stability

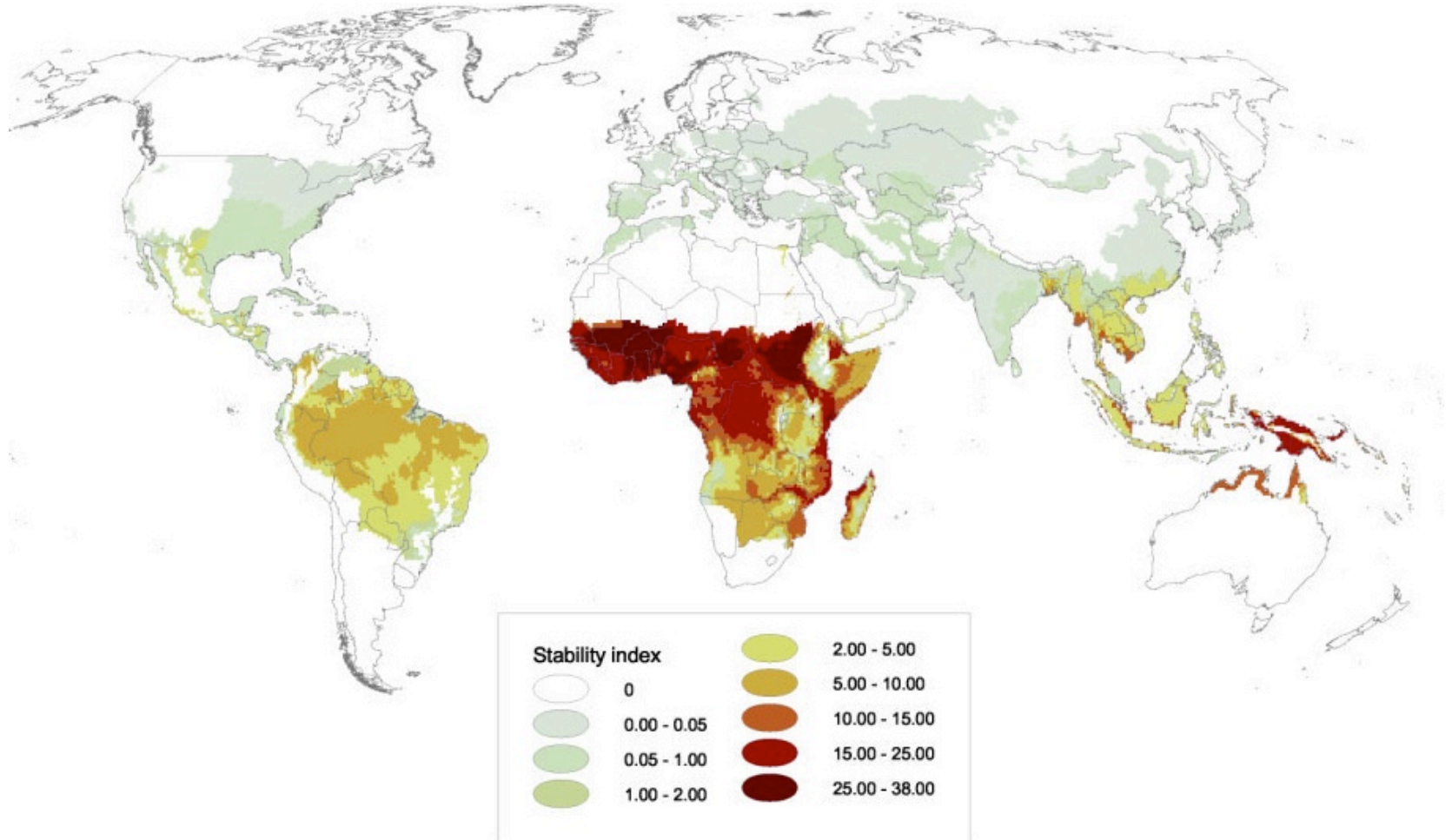


Figure 1 from Anthony Kiszewski, Andrew Mellinger, Andrew Spielman, Pia Malaney, Sonia Erlich Sachs, and Jeffrey Sachs. **Global Index Representing The Stability of Malaria Transmission.** *Am J Trop Med Hyg* 2004 70:486-498.

Another example: The TseTse fly and poor state capacity in Africa



“It seems reasonable to suppose that for hundreds of years tsetse dictated that the economy of the African should be based on the hoe and the head-load...”

Entomologist T.A.M. Nash (1969)

“The TseTse is the "greatest curse" nature laid upon Africa and the "value of the country would be centupled" in its absence

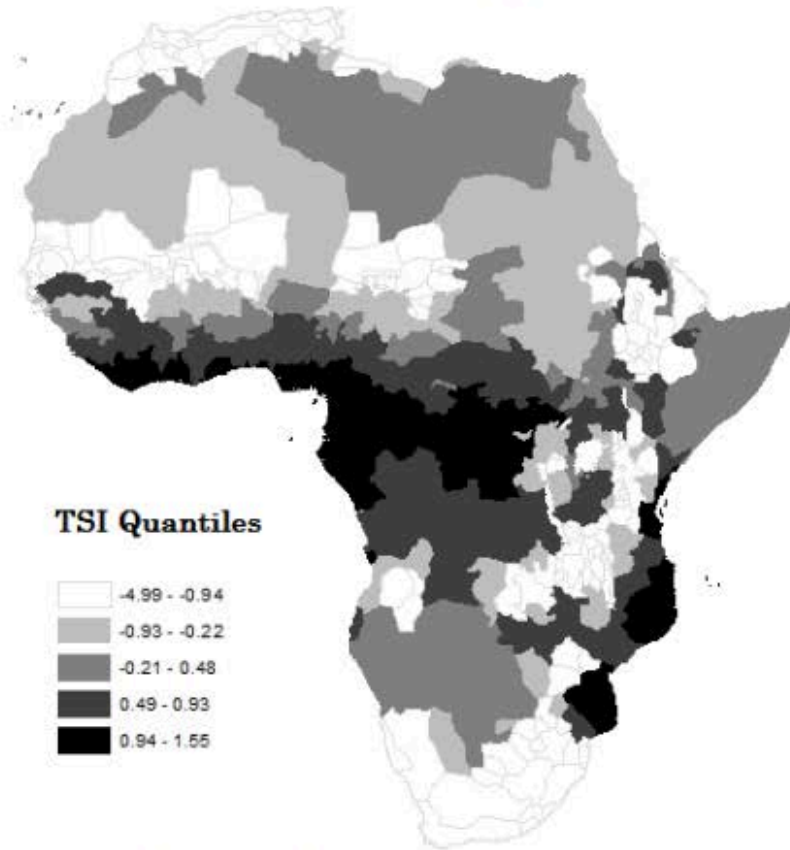
Commissioner H.H. Johnston (1894)

“The presence of Tsetse-fly preclude the animal transport by carts, which in the interior is the great incentive for road-making. In Witu, for instance, ...the bullocks employed for the waggons on it all died, and the old wretched system of human portorage has still to be resorted to for transport.”

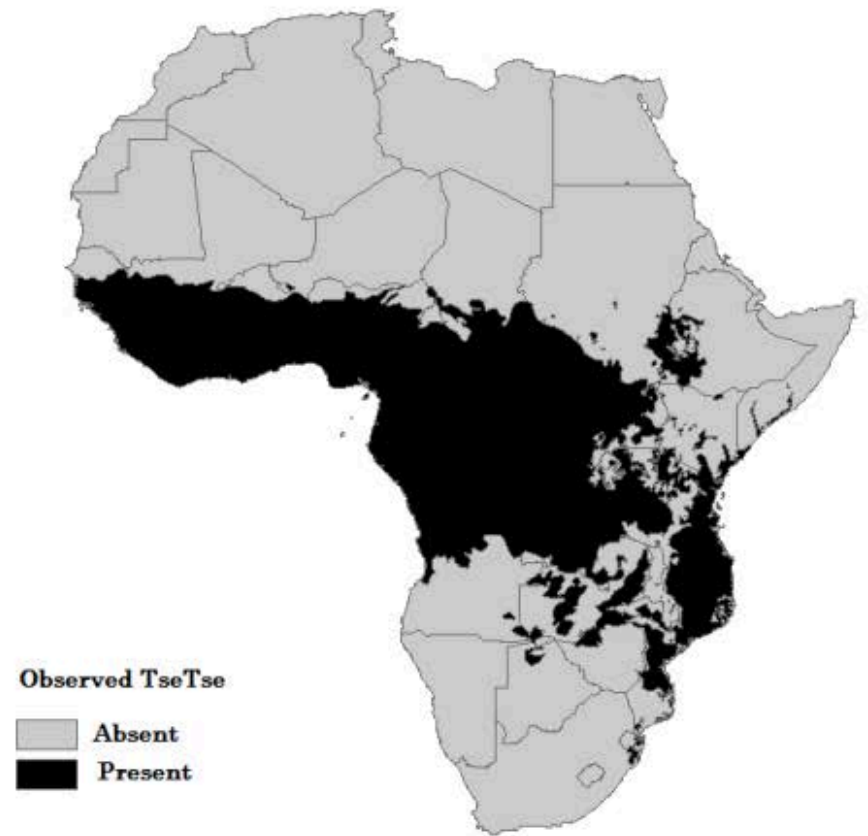
Sir A. Harding (1897)

Figure III: TseTse Suitability Index Versus the Observed TseTse Distribution

A. TseTse Suitability Index (1871)

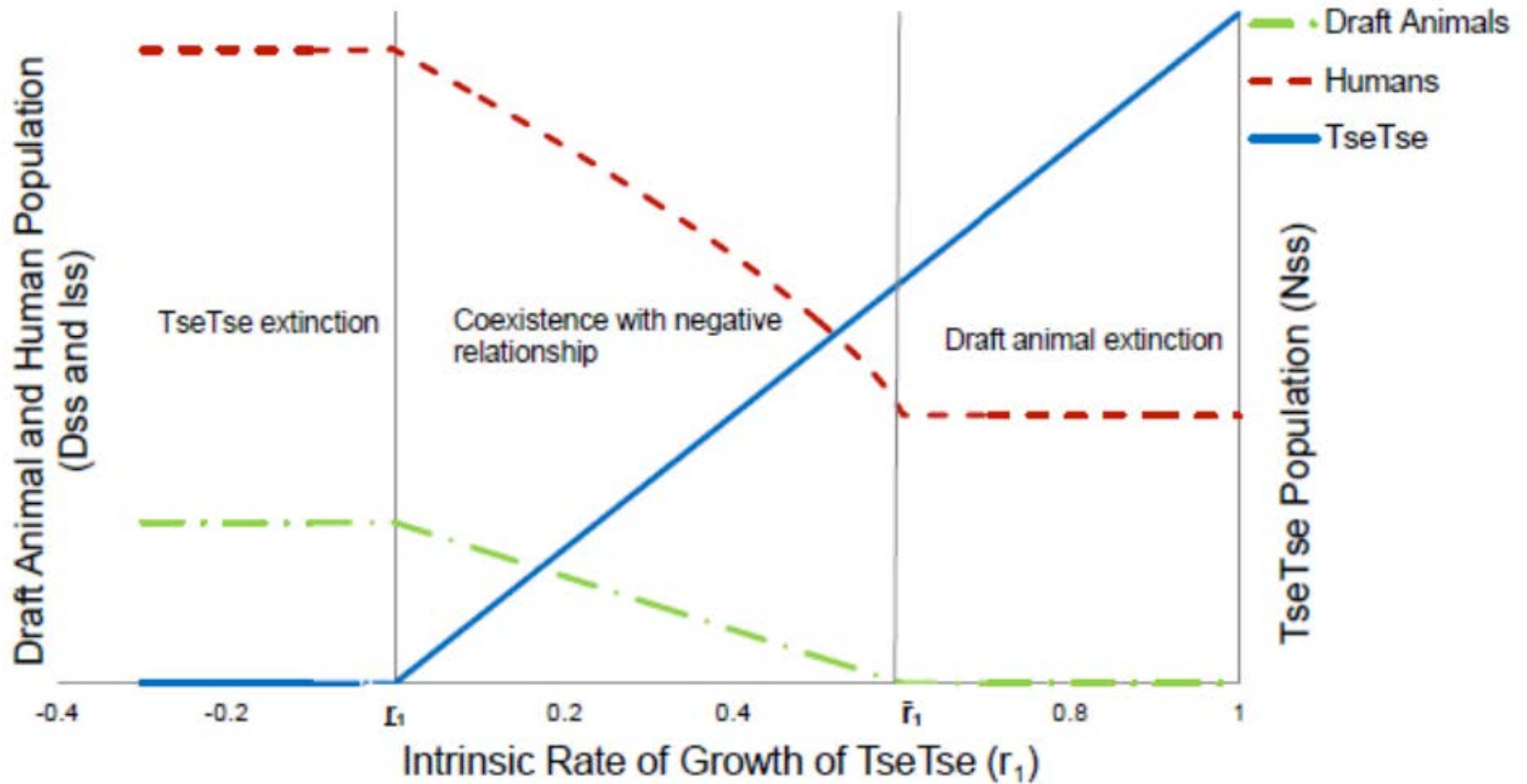


B. TseTse Distribution (1973)



Notes: Panel (A) shows the historical TseTse suitability index created using climate data from NOAA's 20th century reanalysis for the year 1871. Panel (B) shows the observed TseTse distribution in 1973 (Ford and Katondo, 1977).

Figure IV: TseTse, Draft Animal and Human Steady State Populations



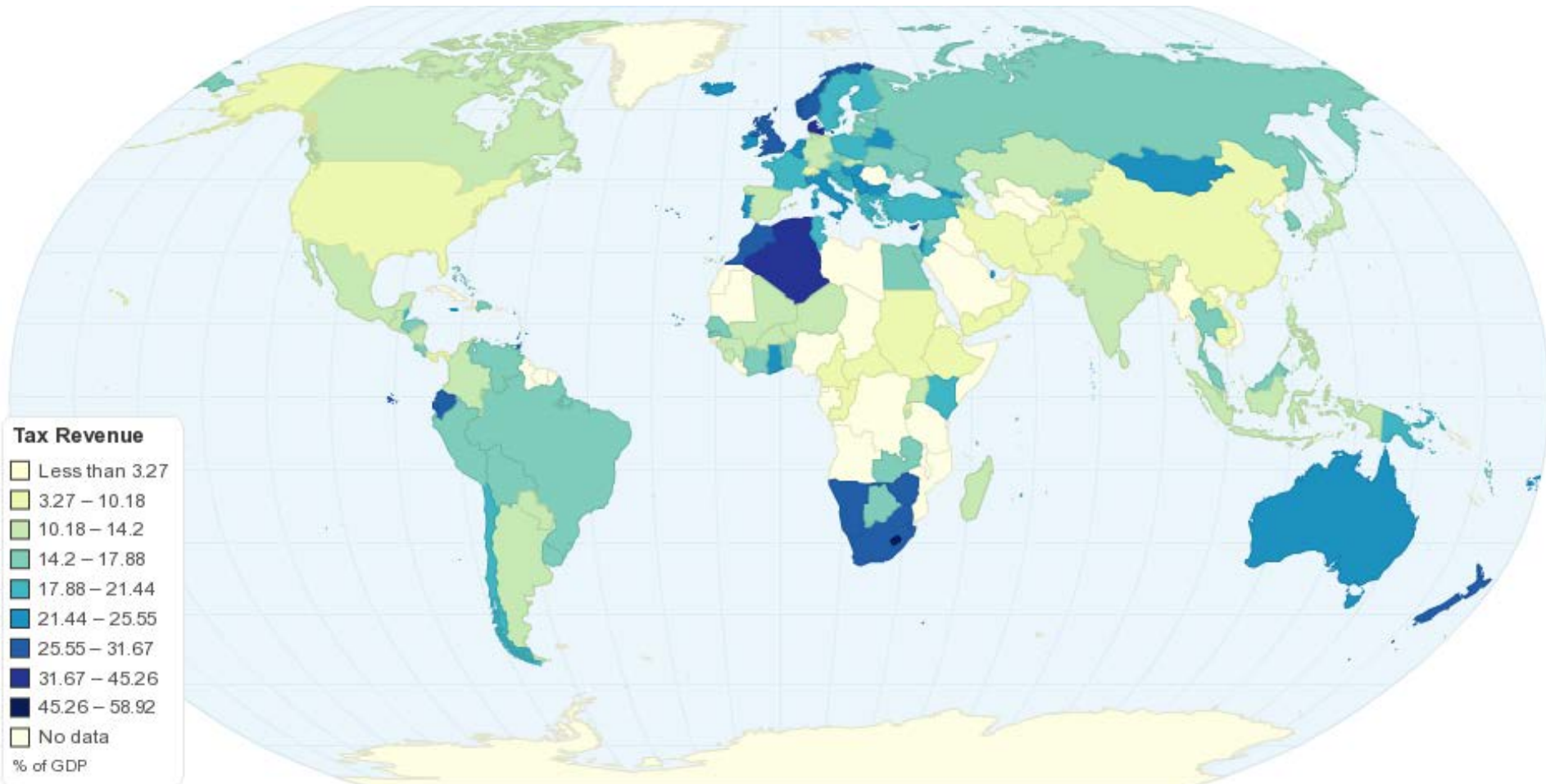
Alsan: The precolonial impacts of just one disease

- A one standard deviation increase in the TseTse suitability is associated with:
 - 21 percentage point (pp) decrease in the likelihood of large domesticated animals
 - 9 pp decrease in cultivation
 - 6 pp reduction in plow use.
 - 45% reduction in population density in 1700
 - 11 pp increase in the likelihood of using slaves
 - 8 pp decrease in the probability state was centralized



Overall, these structural factors help explain some of the variation across regions, but there is still a lot of variation within regions to explain

A common proxy for state capacity: Tax revenues as a % of GDP



Arguably, most of the variation between regions is not between stateless and early states, but degree of strength and “modernity”

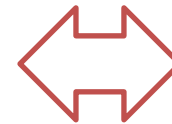
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Part III: Why and when do states “modernize”?

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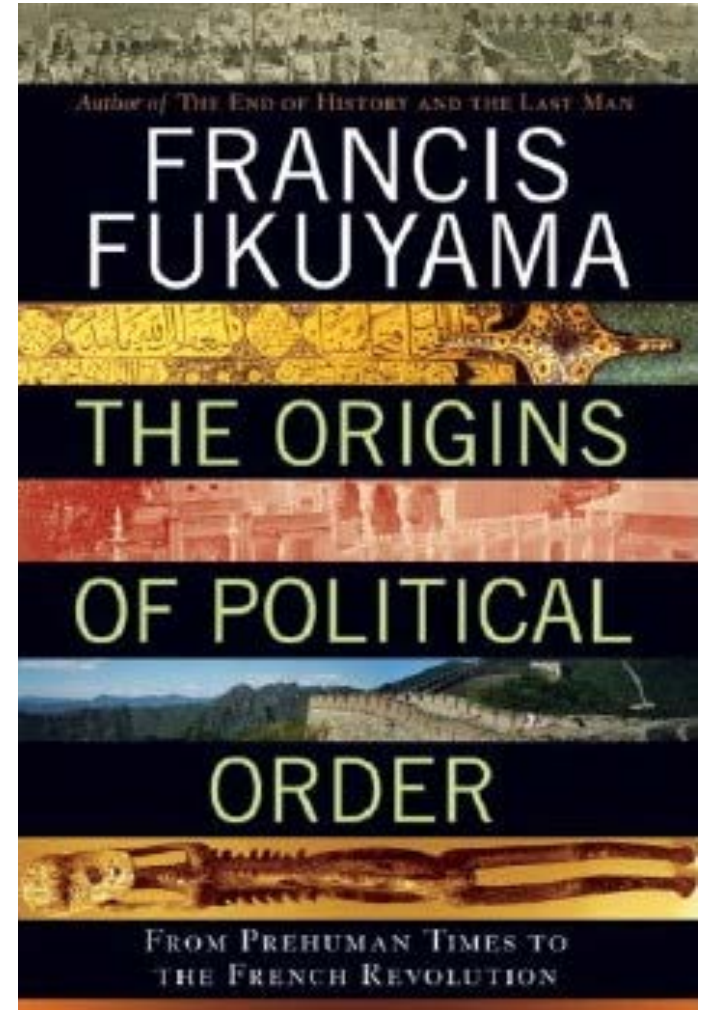


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The natural path of most states in history has not been to “modernize”

- Today, some leaders in weak states aspire to a rule-based state and professional bureaucracy
- But only recently is this seen as the mark of a successful state
- Organized groups—often the rich and powerful—tend to entrench themselves over time and demand privileges
- The history of statebuilding is this patrimonialism asserts itself in the absence of strong incentives to depersonalize the state



Is there a natural human tendency for patrimonialism: to favor family and one's network of clients?

- Social organization is based on kinship and common descent in most stateless societies
 - It is a basis for the social cooperation that makes us successful as a species, e.g.
 - Reciprocal altruism: Human beings gravitate toward the favoring of kin and friends with whom they have exchanged favors
 - Kin selection: Behaviors that favor survival of your genes not you
 - Parochial altruism: Altruism toward in-group and hostility to out-group
- When tribal societies evolved or were subjugated by early states, tribalism did not simply disappear
 - State institutions were merely layered on top of tribal institutions
- Early states broaden personalized connections beyond kin to allies, populations, or territories

Powerful incentives are needed to break out of this patrimonial “natural state”

1. Internal competition

- Rulers, elites, and society at large continuously compete for power
- Organizations and institutions of various forms emerged from this competition, strengthening some states and groups more than others
- Especially in times of crises

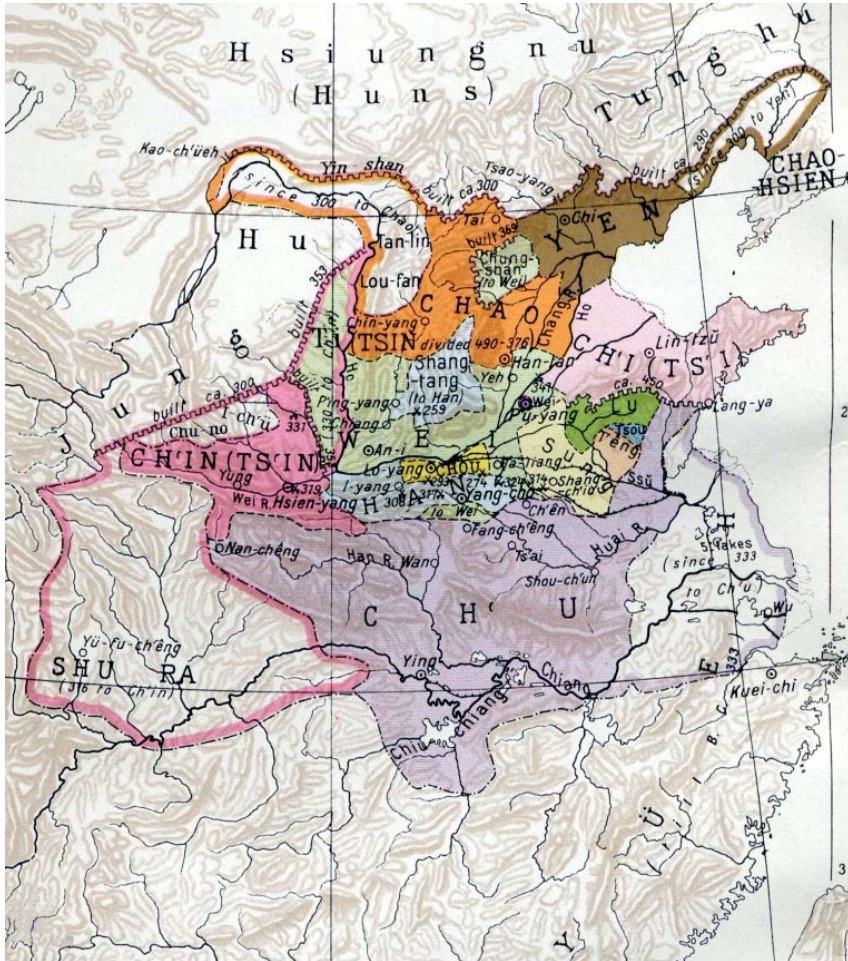
2. External competition

- War making as state making (Tilly)
 - Competition from nearby states eliminated the weak
-
- Often stronger states and “institutions” moved together, something we will discuss next week
 - We will focus on the external competition argument today

In 1500, Europe has a densely packed system of at least 500 “early” states, warring against one another, which over 400 years consolidate into the states we know today

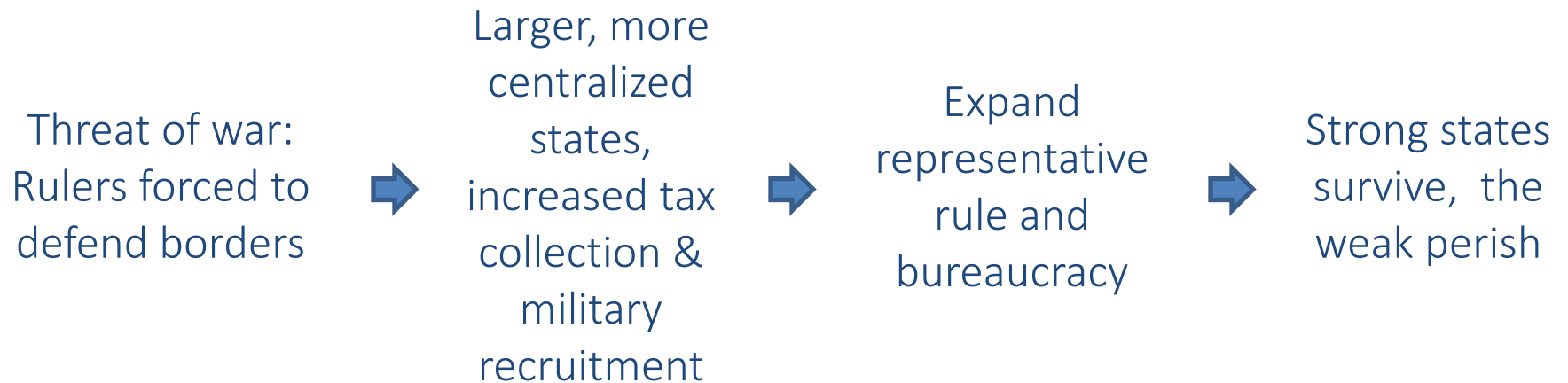


The analogous periods of warring states in China, 770-221 B.C.



- Sometimes referred to as China's feudal periods:
 - Spring and Autumn Period (770-476)
 - Warring States period (475-221)
- More than 1000 wars fought between early states
- Ended in 221 BC with the Qin state's victory and the first unified Chinese empire: the Qin dynasty
- First example of a centralized, uniform system of bureaucratic administration that was capable of governing a huge population and territory

A classic answer from Charles Tilly:
“Wars made the state and the state made war”



Why did competition in this state system lead to permanent increases in tax capacity?

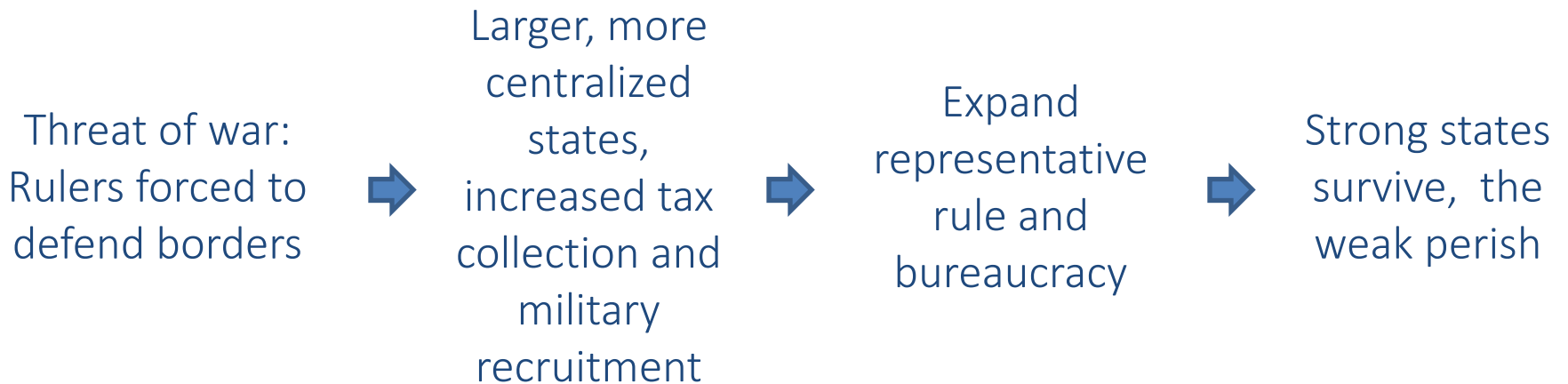
- War puts tremendous strain on leaders to find new sources of income, forcing them to invest heavily in tax collection capacity
- Citizens may also be more willing to acquiesce to taxation when the nation is at war
 - Because of the real threat to their survival
 - Because this common threat generate feelings of nationalism—a common association, united around common symbols, events and memories
- And yet revenue seldom declines after a war. Once a state has developed the capacity it has seldom in history relinquished it.

War as a selective survival mechanism (Tilly 1985, 1990)

- Technology growth → War increasingly capital intensive and expensive
- States need large, effective bureaucracies to:
 - Administer ever more complex and expensive wars
 - Organize recruitment (including conscription)
 - Raise taxes
- In the absence of strong state capacity there is a propensity to collapse or be conquered
- States that could not wage modern warfare were simply weeded out

This implies an evolutionary advantage to larger
and more centralized, bureaucratic states

Was it always true, or true for just a time in history?



Trade and production benefit from lower transaction costs, improved coordination

- Homogeneity, predictability, and calculability can facilitate trade and social interactions
 - Homogeneity in law, coinage, measures, taxation, maps, etc.
 - Standardized, uniform taxation rather than multiple or competing authorities
 - These were all innovations at one time
- But perhaps not too centralized
 - Competition between polities for producers a constraint on extraction

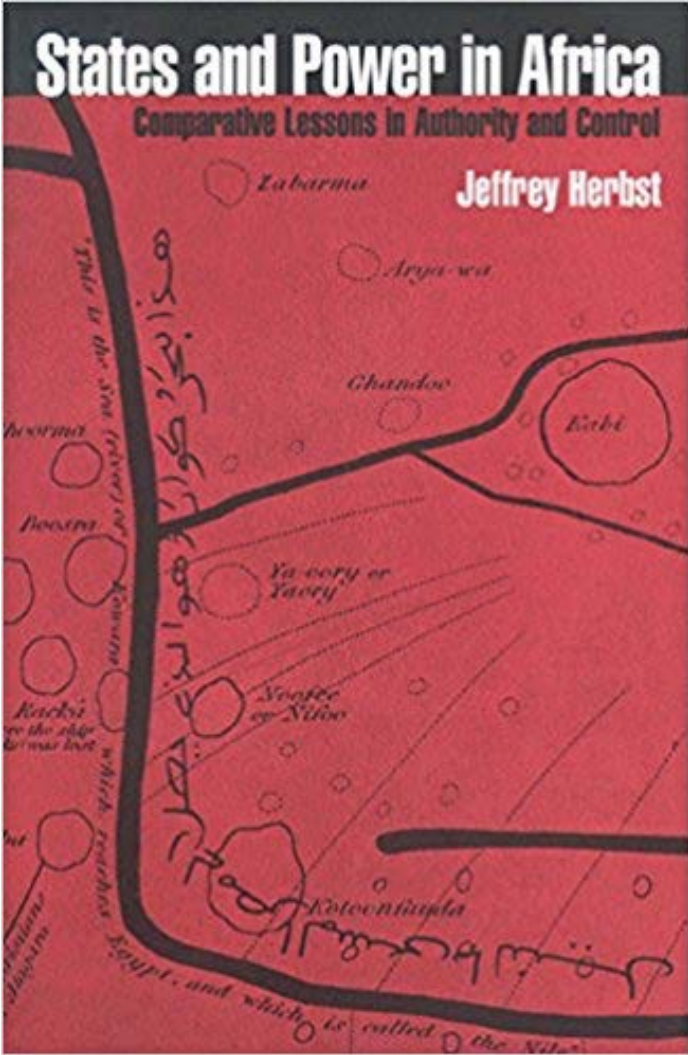


Another common argument: Efficiencies of scale in military technology favor larger states

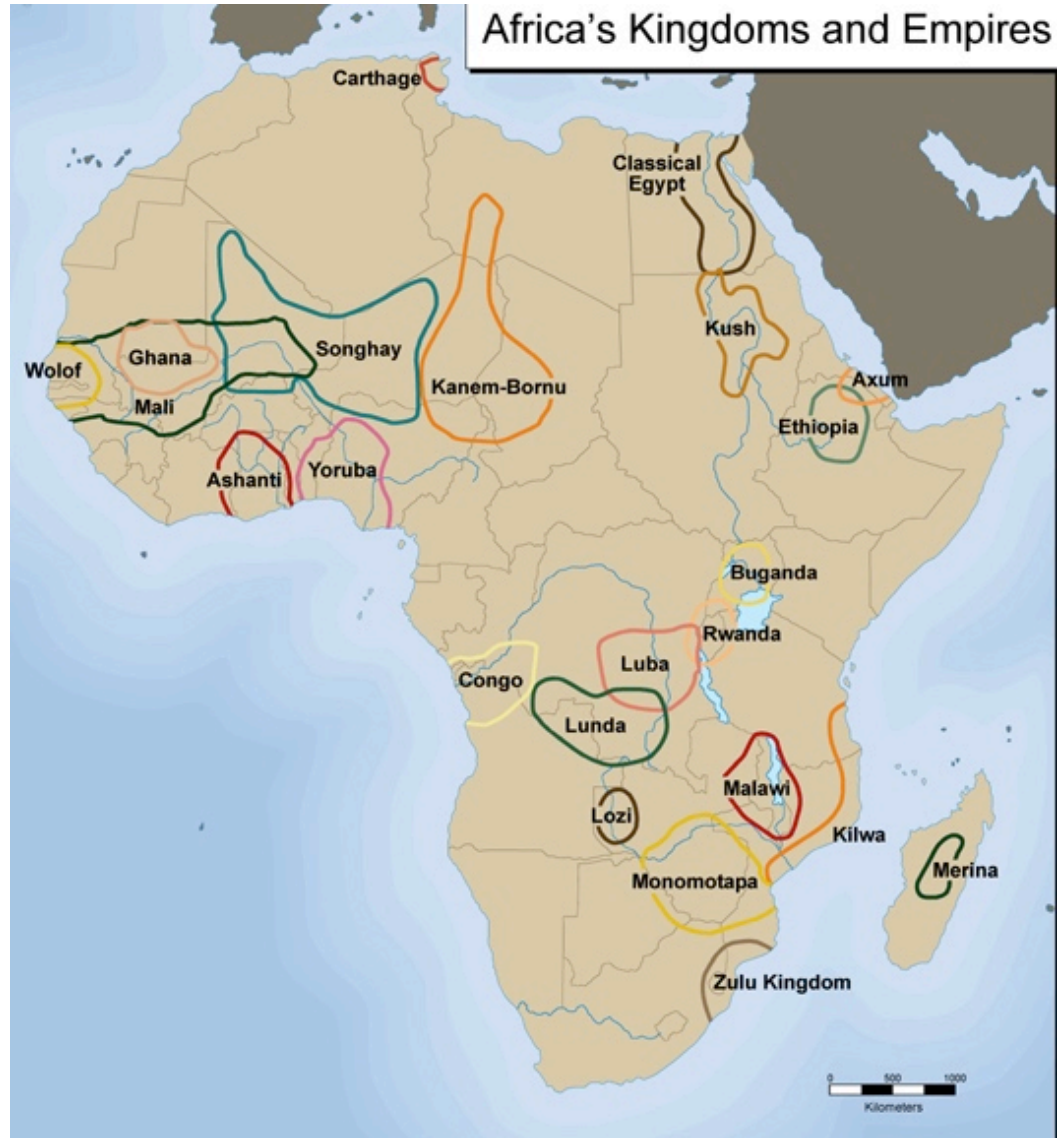
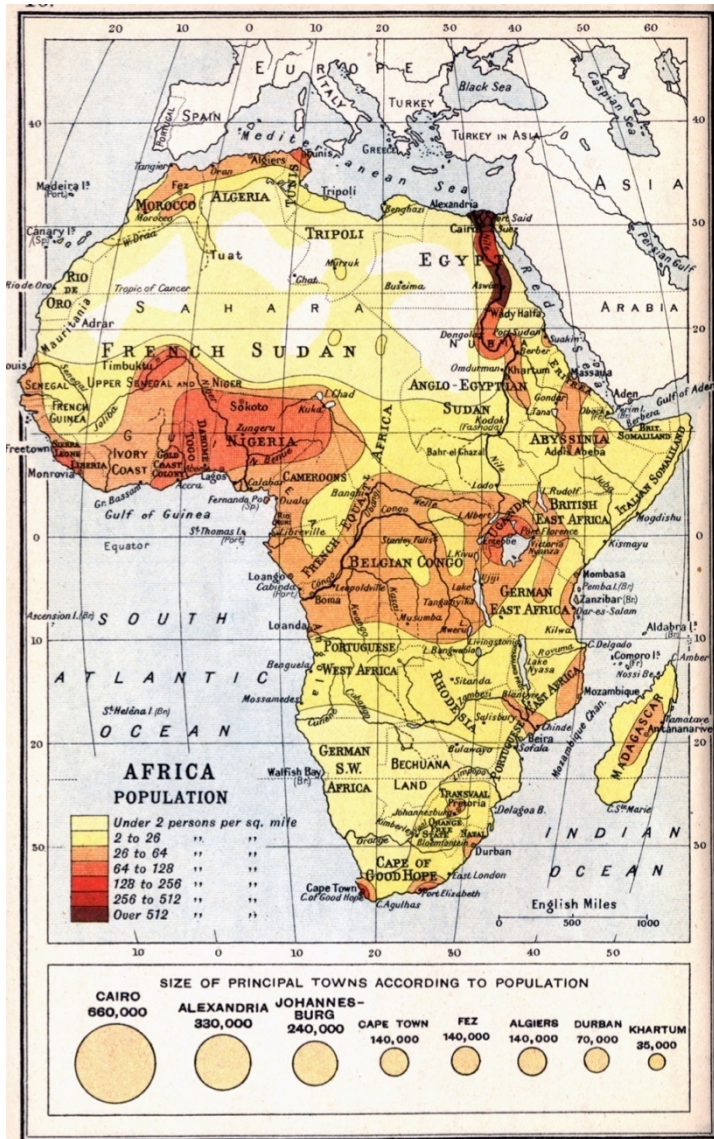
- Armaments
 - Mass infantry
 - Artillery & firearms
 - Fortifications
 - Replace private-owned, specialized fighting forces (e.g. cavalry)
- Organizationally
 - Easier to form alliances with other central states
 - Credible commitment problems easier to solve



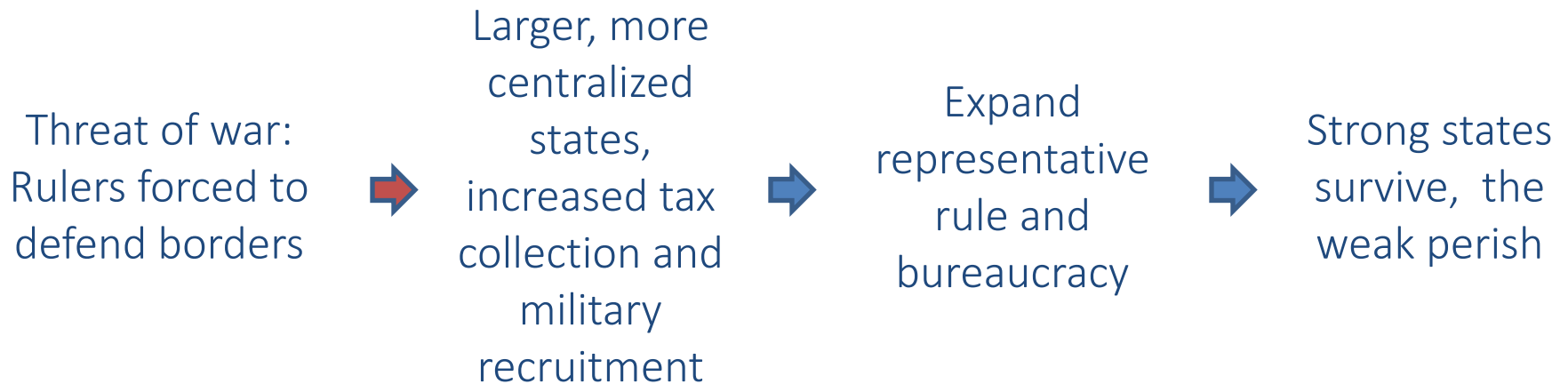
So what happens when competition between stationary bandits is limited?



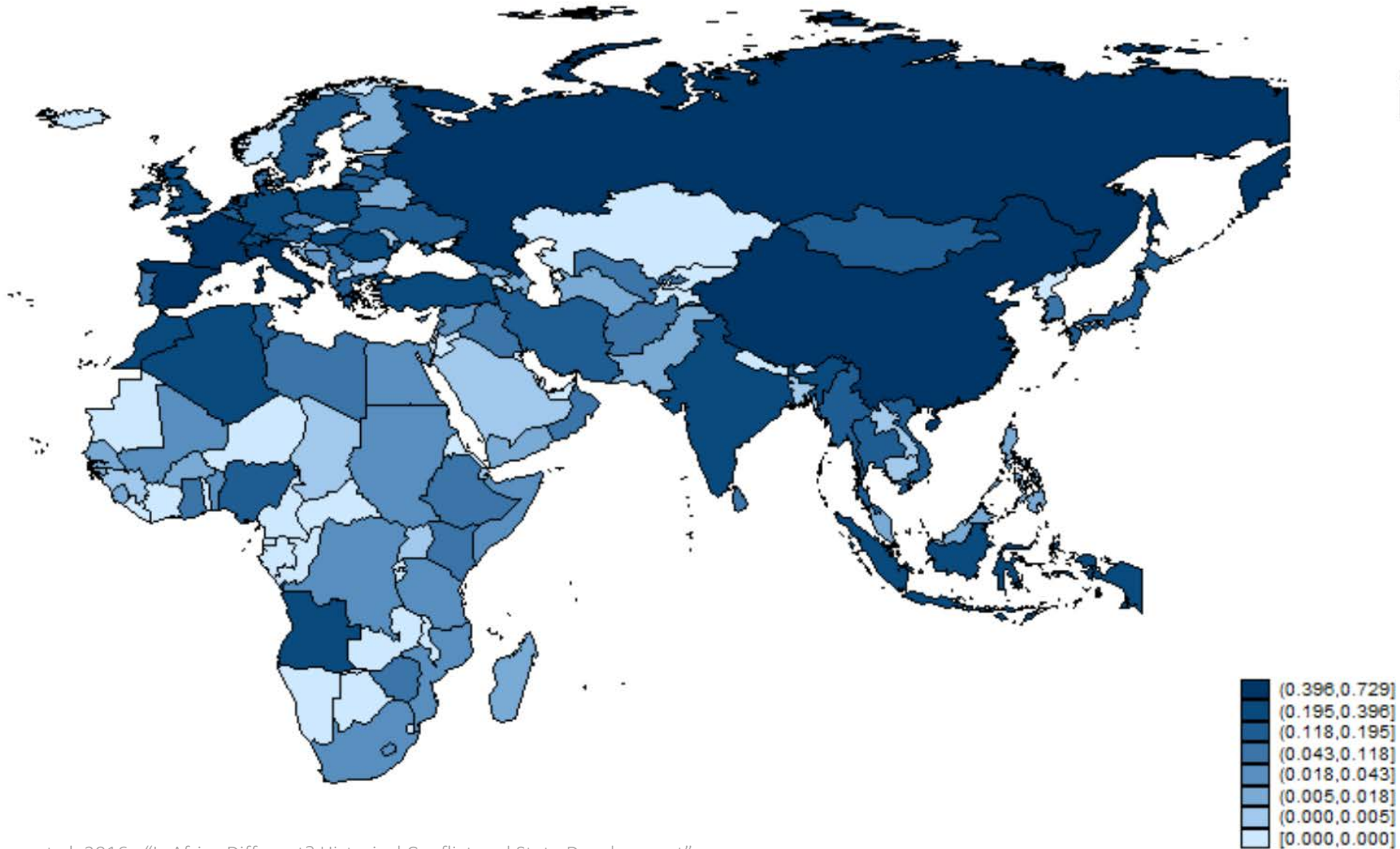
There were relatively few dense, stratified kingdoms in sub-Saharan Africa



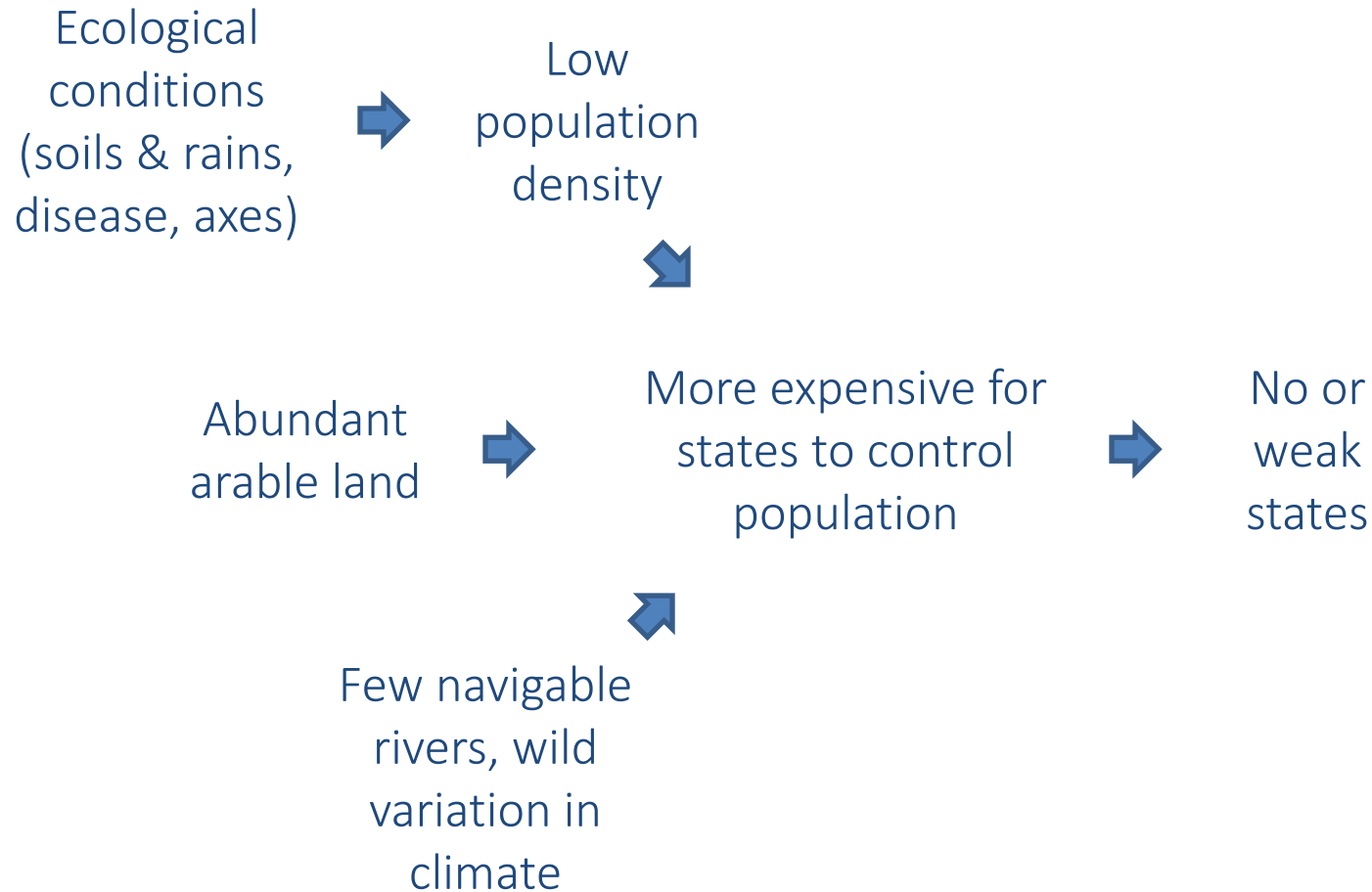
Competition between states did not happen because political entities were too scattered to have a real “state system”



Share of years 1400-1799 a modern day country experienced a conflict (darker = more conflict)



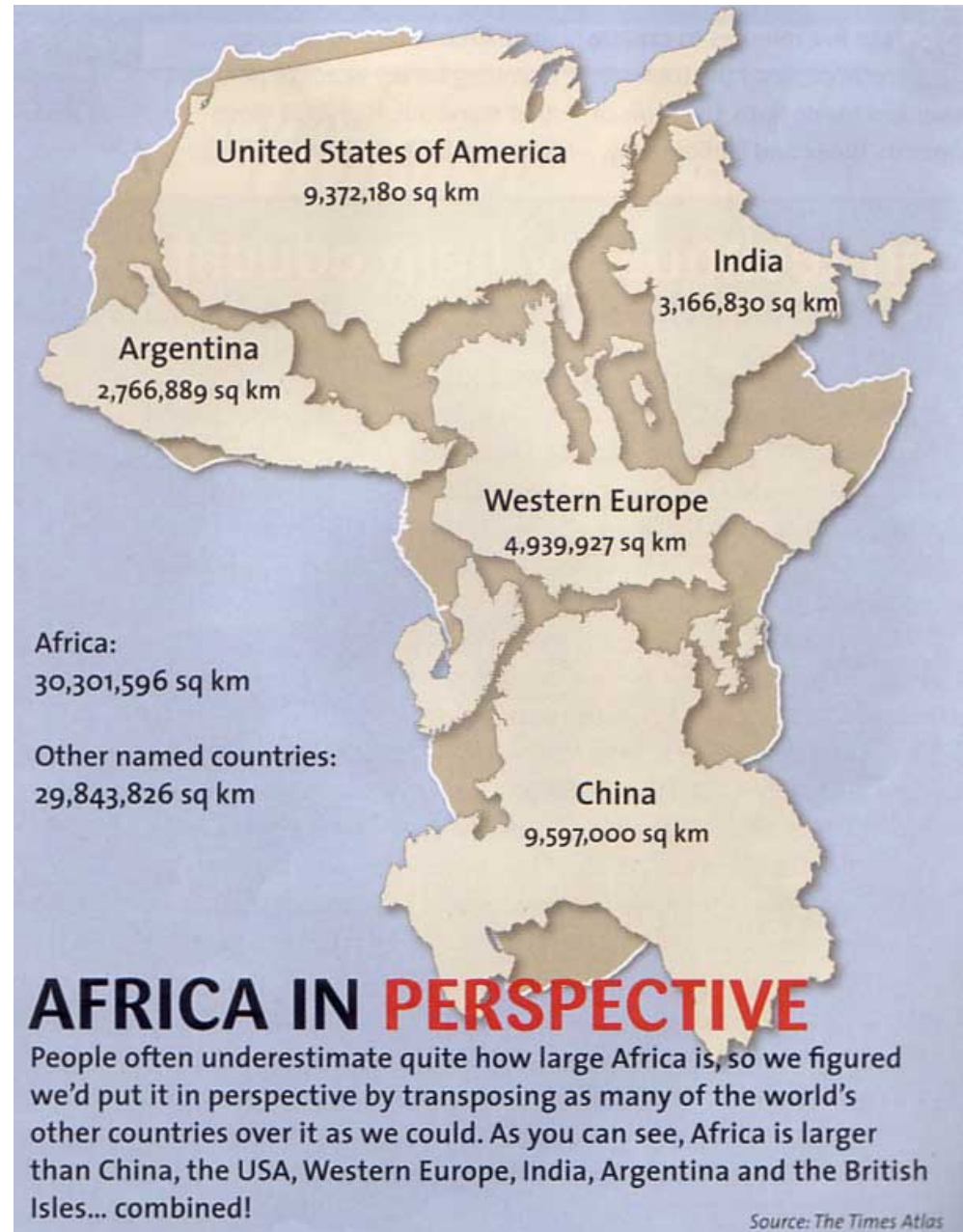
Herbst: Africa's endowments did not favor enough dense, settled societies that could engage in specialization, trade, or international war



Africa is huge

18% of the world's surface area

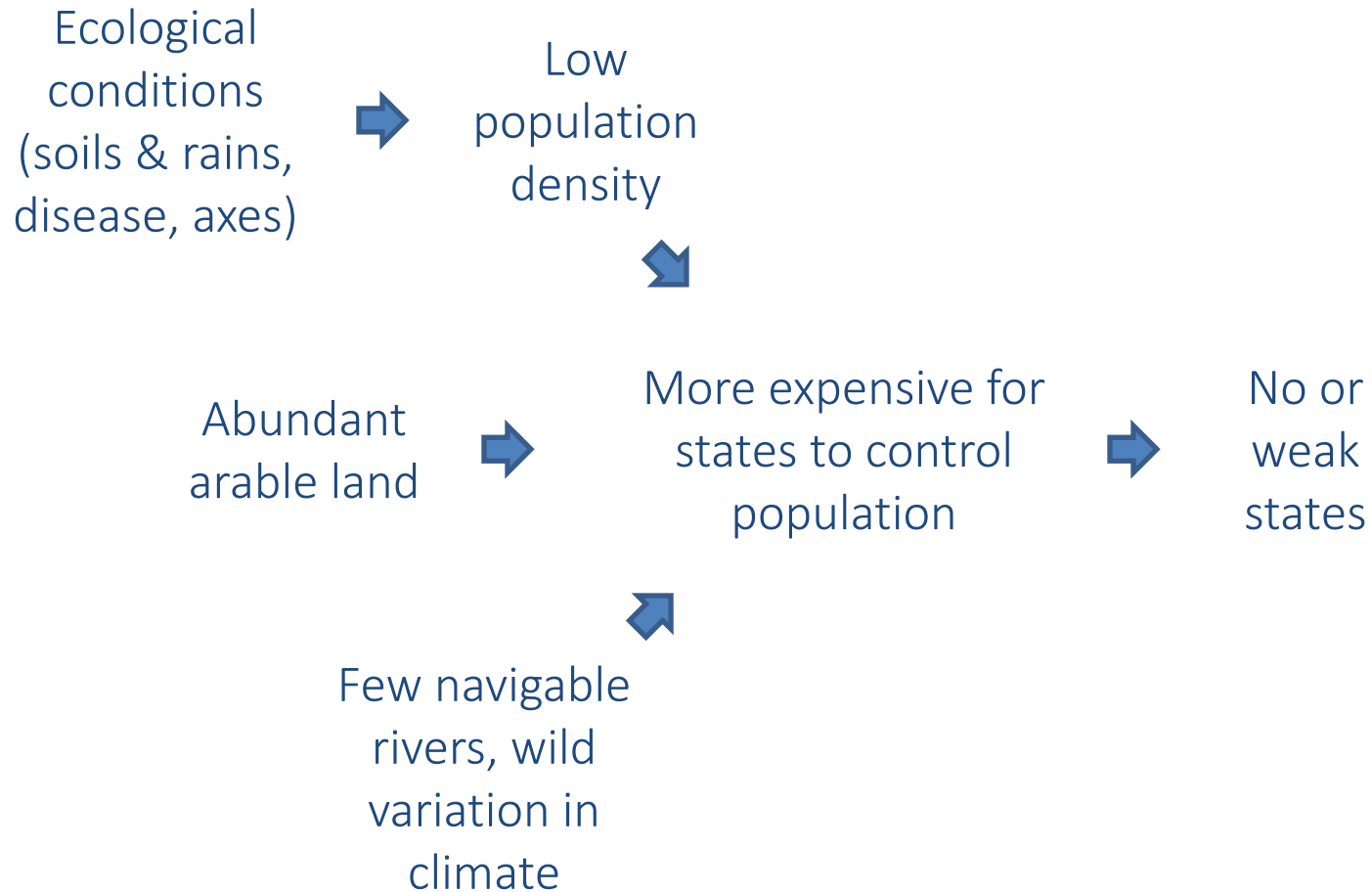
But 6-11% of the world's population before 1750



Notes that for most of history, states have drawn power from controlling people not territory

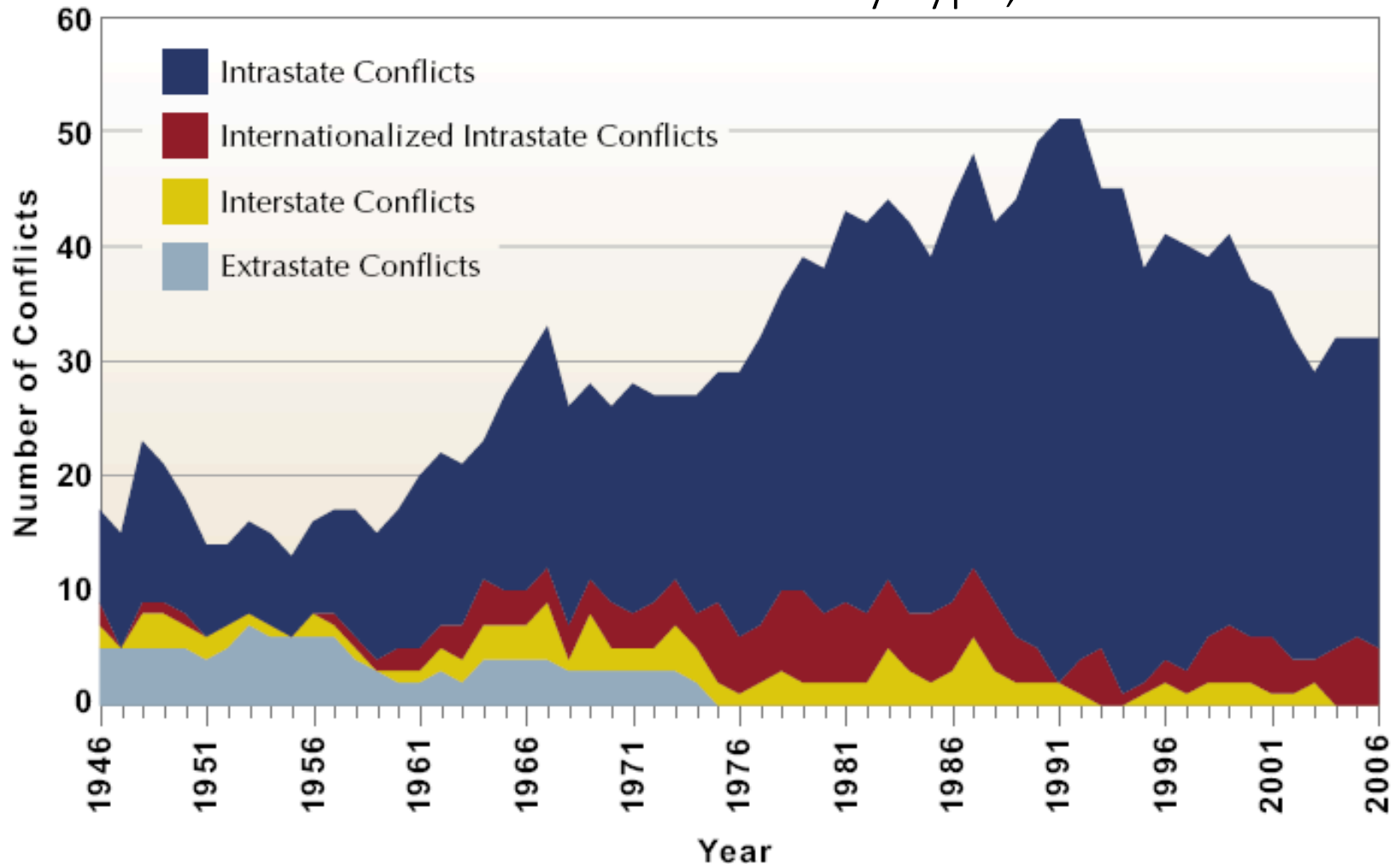
- Taxes, the ability to recruit men and wage war, all of these powers relied on the ability of states to control populations
- Most of these people were not free
- It is easy to forget that for much of history, living inside or outside the state was a choice
- It was very common for state subjects to run away
 - To hills and forests, to unsettled wilderness, to other states

Herbst: Africa's endowments limited the prevalence of states, giving populations room to run away



What does this imply for weak states today, when official war between states has become uncommon?

State-Based Armed Conflicts by Type, 1946-2006



“ While there is little reason to believe that war would have exactly the same domestic effects in Africa today as it did in Europe several centuries ago, it is important to ask if developing countries can accomplish in times of peace what war enabled European countries to do.

I conclude that they probably cannot because fundamental changes in economic structures and societal beliefs are difficult, if not impossible, to bring about when countries are not being disrupted or under severe external threat .

—Jeffrey Herbst, “War and the State in Africa”

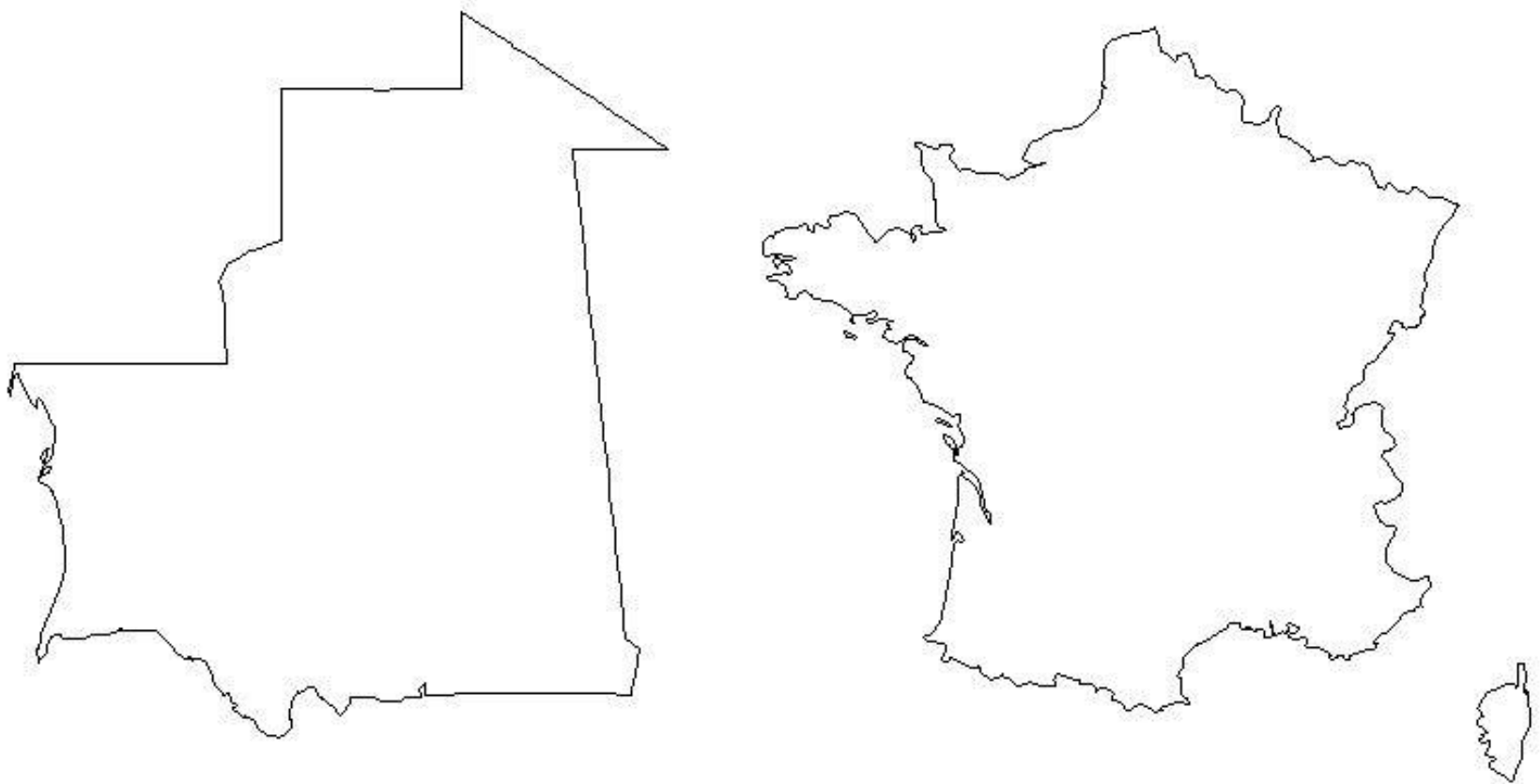
One reason: The post-WWII international system discourages war

- Powerful nations helped to create and preserve national borders
- Patron states protect the borders of their client states if necessary
- As a result, few states faced large external threats
- Pushed conflicts to be more internal
 - For control of de jure state
 - As proxy wars



Worse still, this system preserves a large number of “artificial states”

80% of non-coastal African borders follow latitudinal and longitudinal lines



One consequence is territorial-states not nation-states: De jure not de facto statehood

- For the colonial powers, drawing lines on the map was cheaper than war, defense, and control of the periphery
- Thus political borders do not coincide with the division of nationalities desired by the people on the ground
 - Gave territories to one group ignoring the claims of other groups.
 - Drew boundaries lines splitting “nations” (ethnic/linguistic groups) into different countries, frustrating national ambitions of some groups
 - Combined into a single country groups that wanted independence.
- Colonial powers only tried to rule in ‘core’ areas
 - Beyond the core, weak systems of formal rule
 - Make have explicitly or implicitly place the “core” group
- No process by which weak states reform or are eliminated

1. Most difficult political geography

(Herbst Chapter 5)

- Large, dense, but non-contiguous populations
 - Difficult to consolidate power
 - Different groups and ethnicities consolidate around different symbols and systems

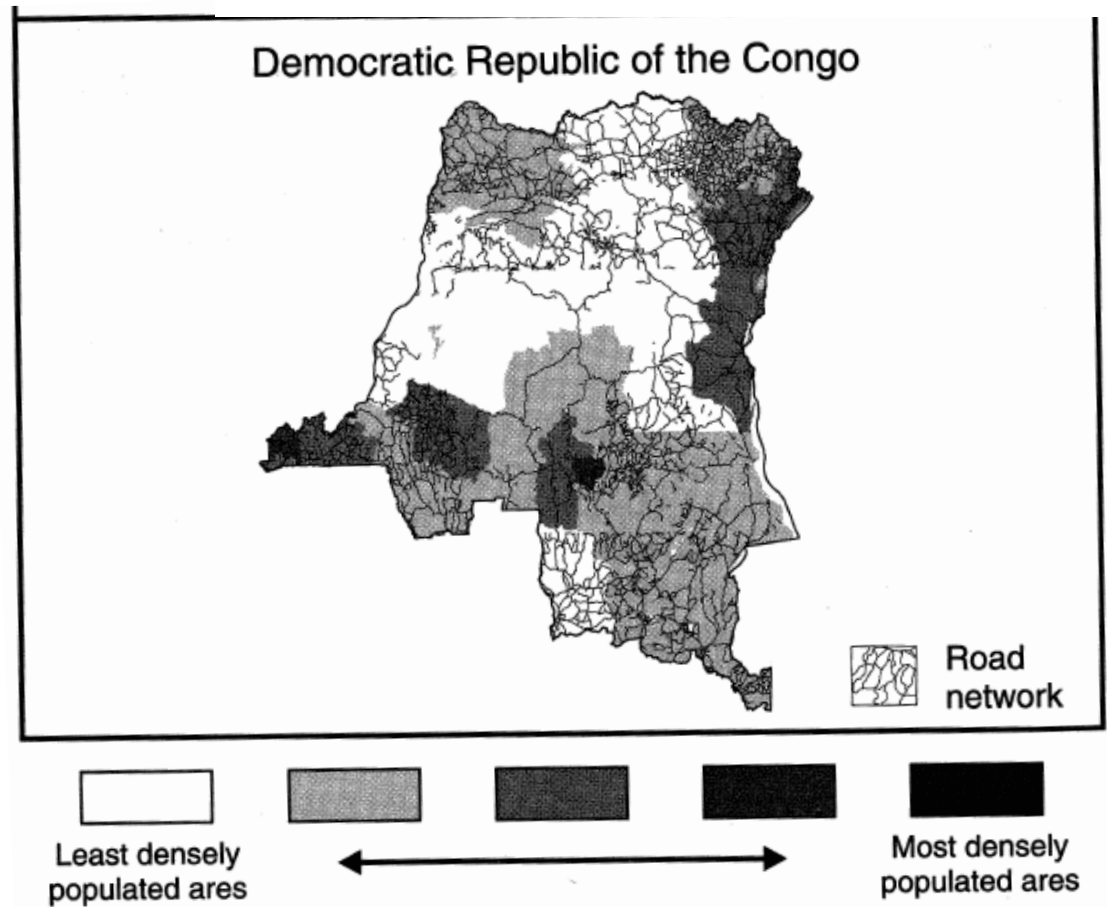
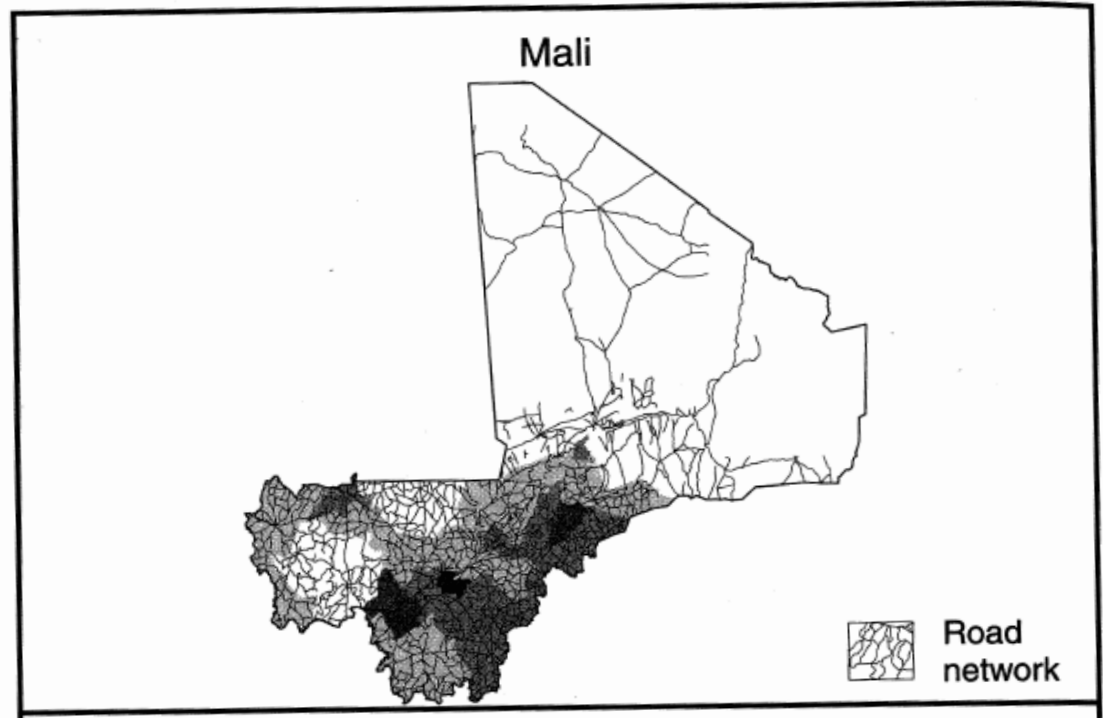


Figure 5.7. Mali and D.R.O.C. Compared

2. Also difficult: Hinterlands

- Large, countries, undispersed populations
 - Often Sahelian
- Capital is challenged to control the periphery
- But at least government is close to the population



3. Favorable geographies

- Smaller size
- Dense populations near capital
- No large hinterland
- Easier to exert authority over populations

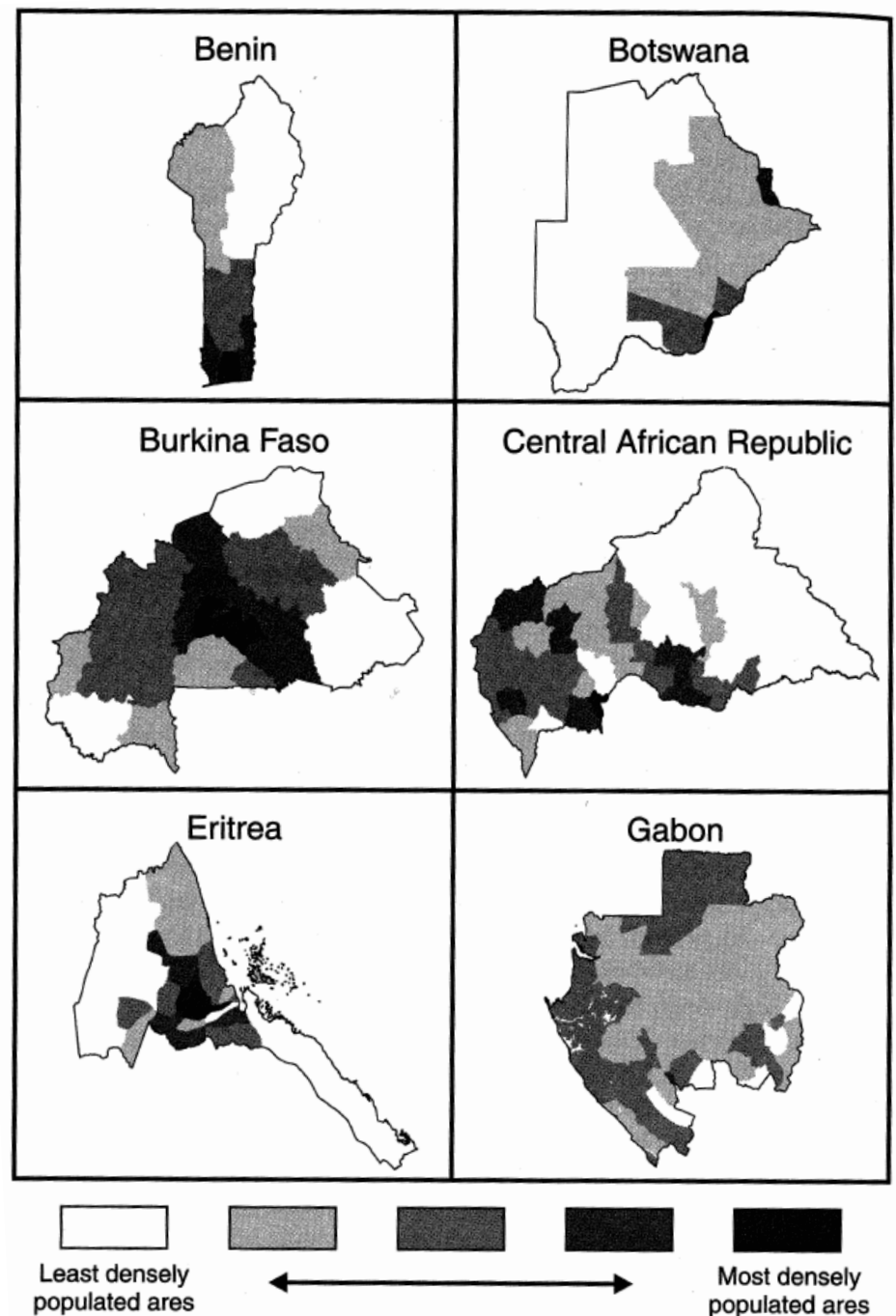


Figure 5.3. Countries with Favorable Geographies

Thus Herbst is pessimistic about the future

- “Other than war, no type of crisis demands that the state increase taxes with such forcefulness, and few other situations would impel citizens to accept those demands”
- Will at some point African leaders recalculate and see self interest or national interest in war or seizing the assets of another state?
 - “when the futility of domestic reform becomes clear”



Some reasons I am slightly more hopeful (and a preview of Weeks 8-10)

- I think Herbst looks over too short a timeframe
 - European states formed over hundreds of years
 - African states have made reasonable progress in just 50 years
 - Might they already have reached the levels of bureaucratic functioning or taxation of many 18-19th century European states?
- Being an imitator is different from being a leader
 - Today's weak states have models, and citizen expectations are high
 - Their elites and populations have access to information and strong norms to emulate developed states
 - Societies can coordinate to emulate stronger states
- There are other incentives to modernize
 - Intense, non-spatial economic and political competition
 - Gains from industrialization and trade
 - Also people vote with their feet and migrate out