

Order & Violence



Lecture 10: Sources of societal bargaining power

Chris Blattman

Today

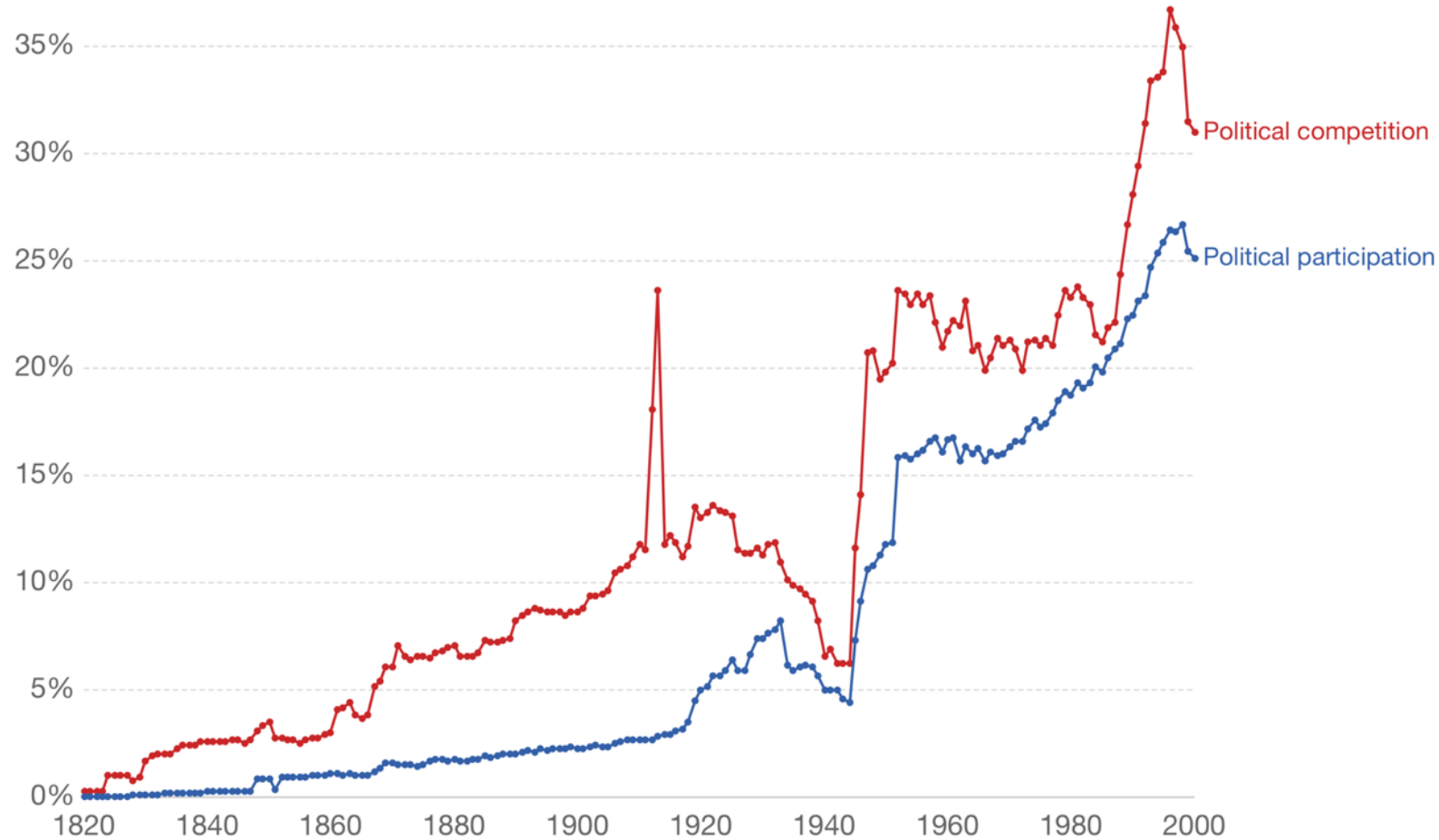
- I. The “puzzle” of mass participation
- II. Sources of societal bargaining power
 - a. Sources of exit (E)
 - b. What do we mean by autonomy (L)?
 - c. When is voice costly to the state? (V)
 - d. The challenge of collective action (C)

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In the past two centuries, a growing share of the share of the world has participated in competitive elections. Why is that?

Political participation and competition, World

Political participation is the share of the adult population who voted in previous elections. Political competition is one minus the share of the winning party's votes in a national election.



Source: How Was Life, OECD (2014)

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This brings us to the second kind of power transition

1. Why would elites form larger and larger coalitions?

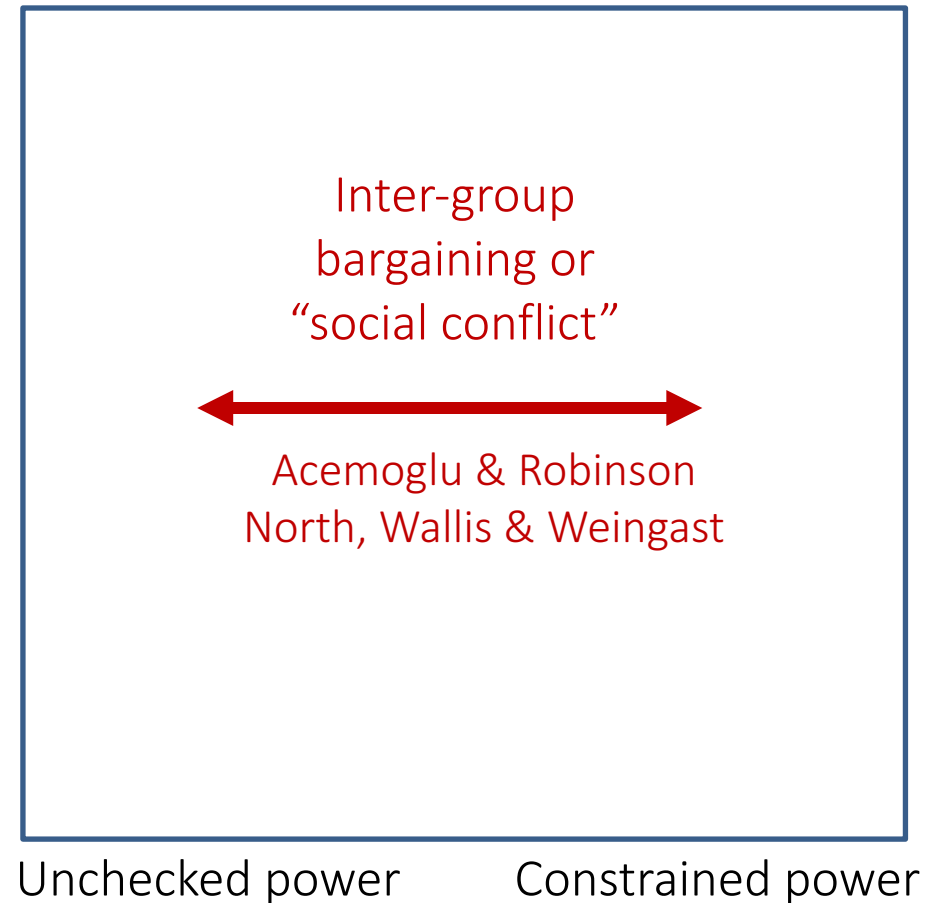
Why share power with other elites and organized groups: Other nobility, producers, traders, landlords, clergy, unions, ...?

2. Why would these coalitions in turn give up power and share it with the masses?

Large, stable bureaucracy able to control territory, violence & society

State capacity

Smaller, regime-specific structures with limited control over people, territory, violence

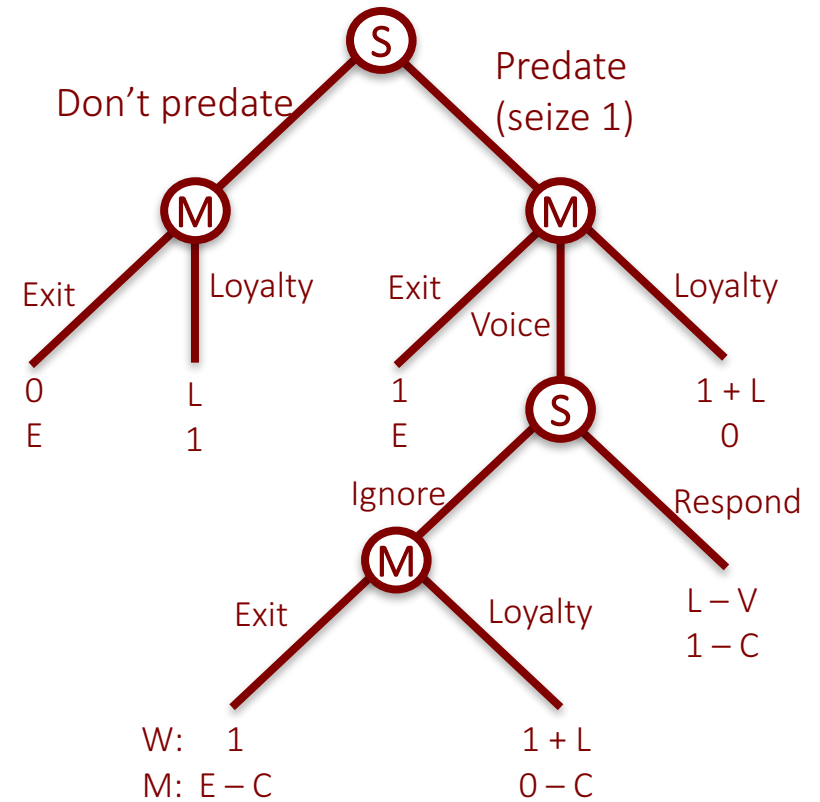
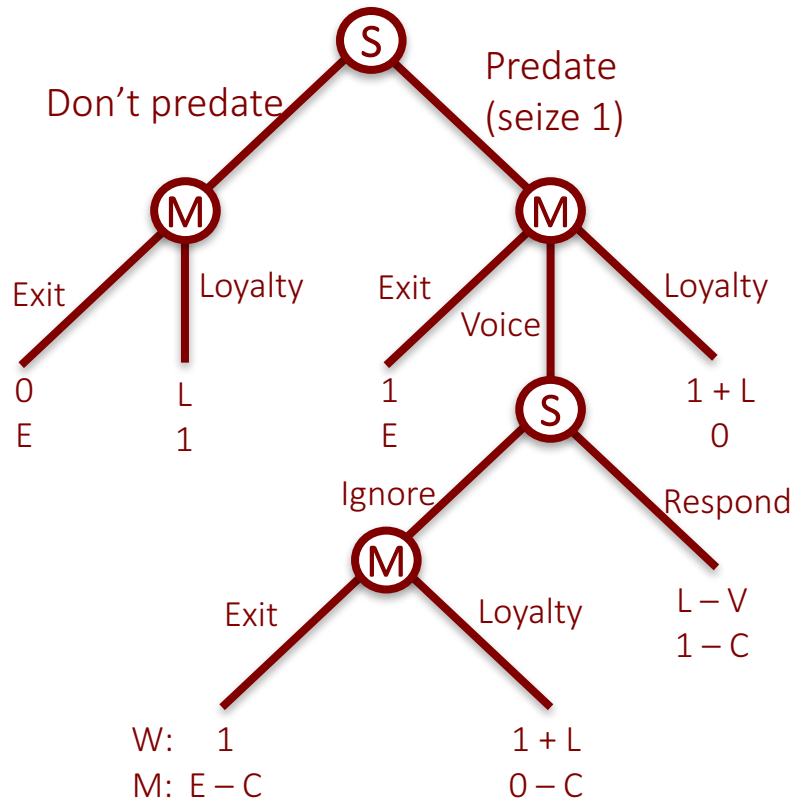


Constraining institutions

EVL is a useful model for understanding both questions

Between the warlord or specialist in violence (S) and elites (such as merchants, M) to form state

Between the elite-run state (S) and the masses (M)



This view suggests that it's not enough to have a written constitutional right

Citizens are guaranteed freedom of speech, of the press, of assembly, demonstration and association... citizens are entitled to submit complaints and petitions.

—From the Socialist Constitution of the Democratic People's Republic of Korea (North Korea)

There shall be no discrimination on the basis of sex.

—Constitution of Pakistan

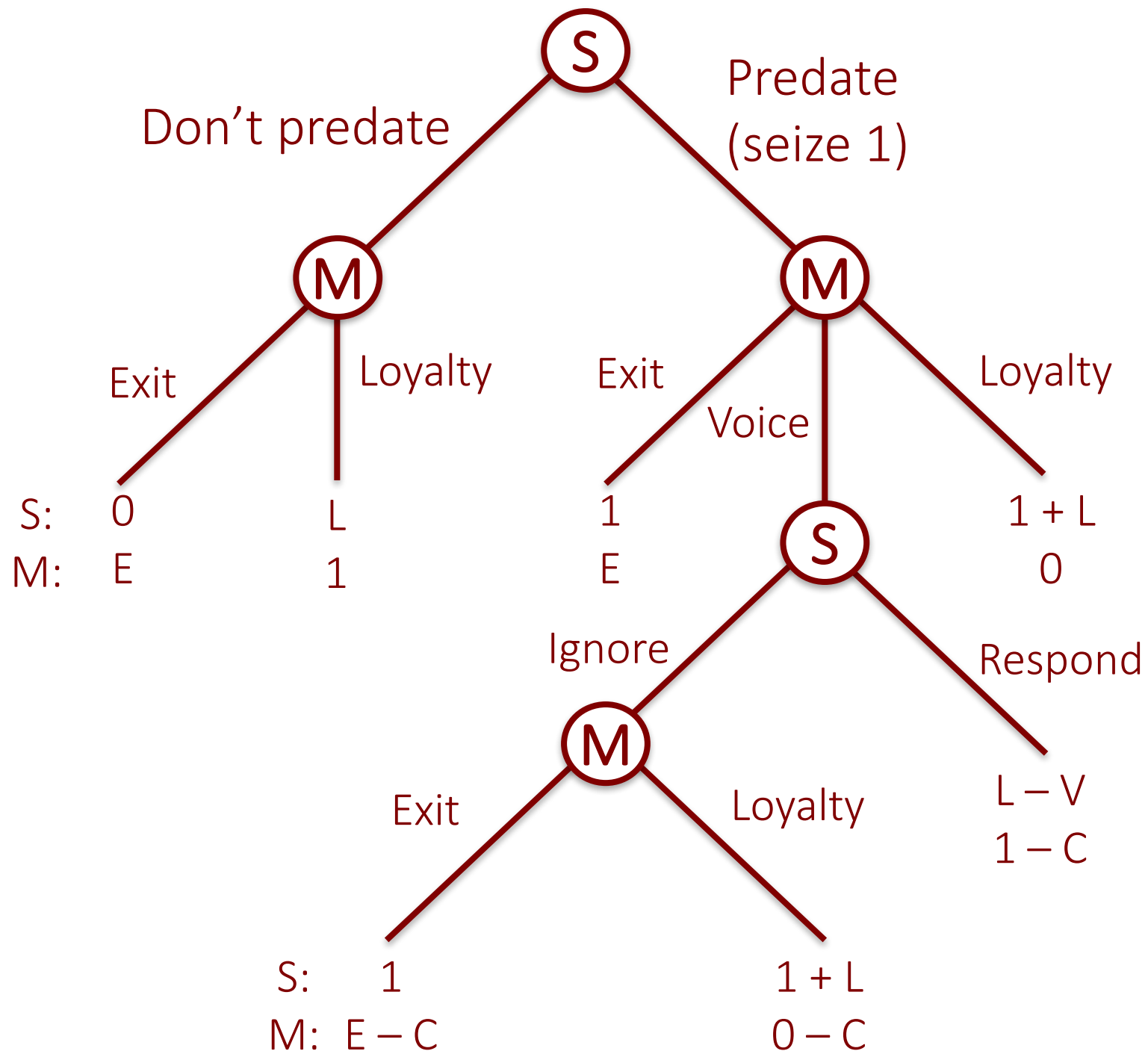
The right of citizens of the United States to vote shall not be denied or abridged by the United States or by any State on account of race, color, or previous condition of servitude.

—The Fifteenth Amendment (1870)

The EVL model tells us that citizens (or the out group) will have “political power” when...

- Citizens have credible exit options ($E > 0$)
- States are dependent on citizens ($L > 1$)
- Voice is not costly to exercise, but may be costly to state (low C , high V)

What factors raise or lower these parameters in reality?



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Exit is one of the most common responses to the state
And one of the great historical challenges facing would-be statebuilders



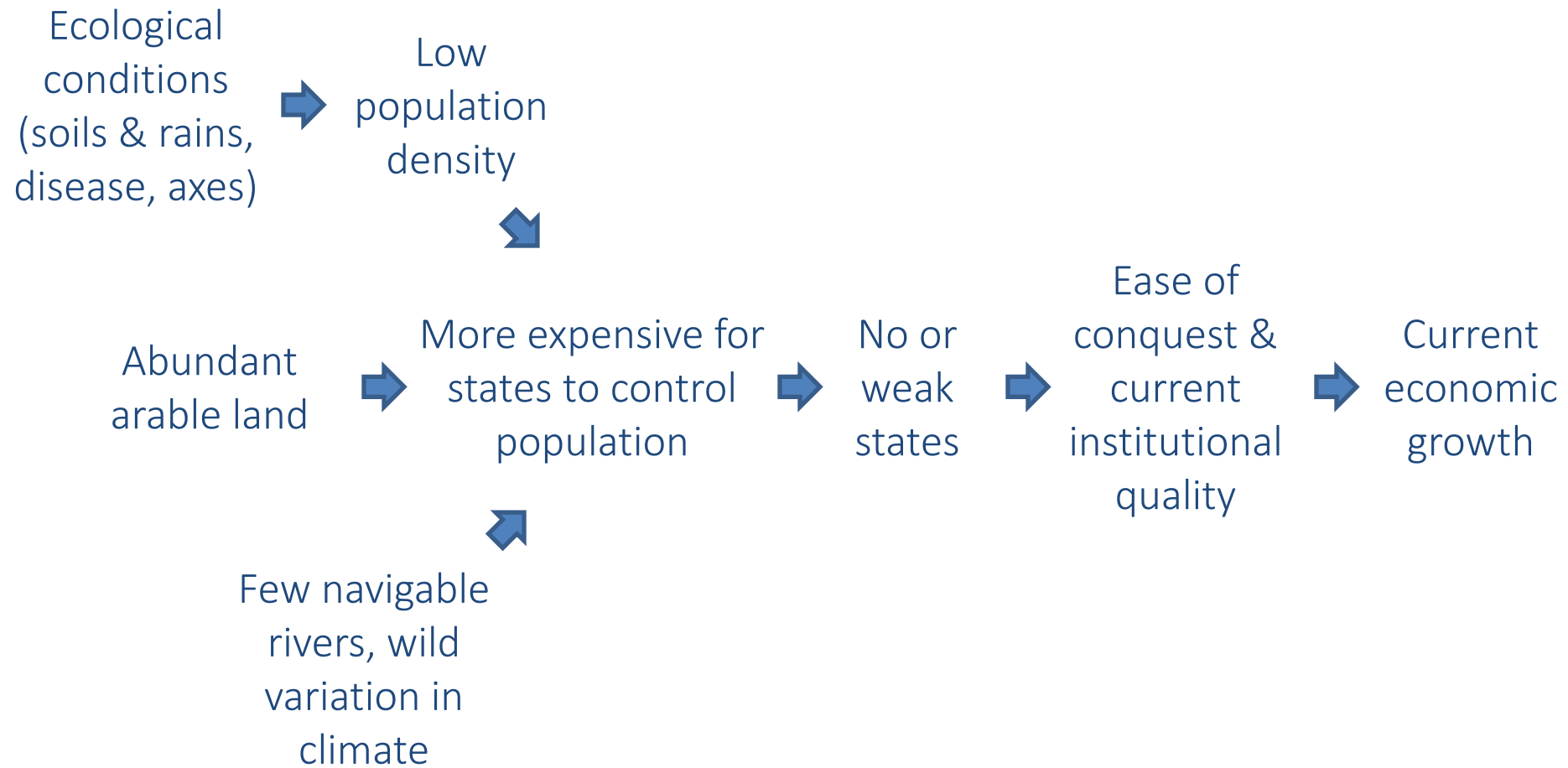
“Much, if not most, of the population of the early states was unfree; they were subjects under duress.

At a time when the state seems pervasive and inescapable, it is easy to forget that for much of history, living within or outside the state... was a choice...

...it was very common for state subjects to run away. Living with the state meant, virtually by definition, taxes, conscription, corvee labor, and, for most, a condition of servitude.

...When these burdens became overwhelming, subjects moved with alacrity to the periphery or to another state.”

Exit also played a key role in Herbst's account of statebuilding in Africa, as a source of persistent state weakness



Secession is also a kind of exit
Its credible threat is an instrument of bargaining

IN CONGRESS, JULY 4, 1776.
A DECLARATION
BY THE REPRESENTATIVES OF THE
UNITED STATES OF AMERICA,
IN GENERAL CONGRESS ASSEMBLED.

WHEN in the Course of human Events, it becomes necessary for one People "to dissolve the Political Bands which have connected them with another," and to assume among the Powers of the Earth, the separate and equal Station "to which the Laws of Nature and of Nature's God entitle them," a decent Respect to the Opinions of Mankind requires "that they should declare the causes which impel them to the Separation.

We hold these Truths to be self-evident, "that all Men are created equal," "that they are endowed by their Creator with certain unalienable Rights," that among these are Life, Liberty, and the Pursuit of Happiness--That to secure these Rights, Governments are instituted among Men, "deriving their just Powers from the Consent of the Governed," that whenever any Form of Government becomes destructive of these Ends, "it is the Right of the People to alter or to abolish it, and to institute a new Government, laying its Foundation on such Principles, and organizing its Powers in such Form, as to them shall seem most likely to effect their Safety and Happiness." Providence, indeed, will dictate that Governments long established should not be changed for light and transient Causes; and accordingly all Experience hath shewn, that Mankind are more disposed to suffer, while Evils are sufferable, than to right themselves by abolishing the Forms to which they are accustomed. But when a long Train of Abuses and Usurpations, pursuing their insidious Course, evinces a Design to reduce them under absolute Despotism, it is their Right, it is their Duty, to throw off such a Government, and to institute new Legislation, by which the same Object is to be attained in a more rational Manner, and by which the former Abuses are prevented from recurring.

But exit need not be physical

<i>Stimulus</i>	EXIT	VOICE	LOYALTY
State increases taxes	Reallocate portfolio to avoid tax increase	Organize or join tax revolt	Pay taxes and keep your mouth shut
State rules that prayer in public school is unconstitutional	Home school your children	Lobby the government to change the constitution	Keep your children in the public school system and keep your mouth shut
State bans handguns	Move to a different state	Join the NRA or a militia group to pressure the state to reverse the policy	Turn in your handguns and keep your mouth shut
State devalues currency	Buy goods that are not imported	Lobby the government to change its policy	Continue to buy imports and keep your mouth shut

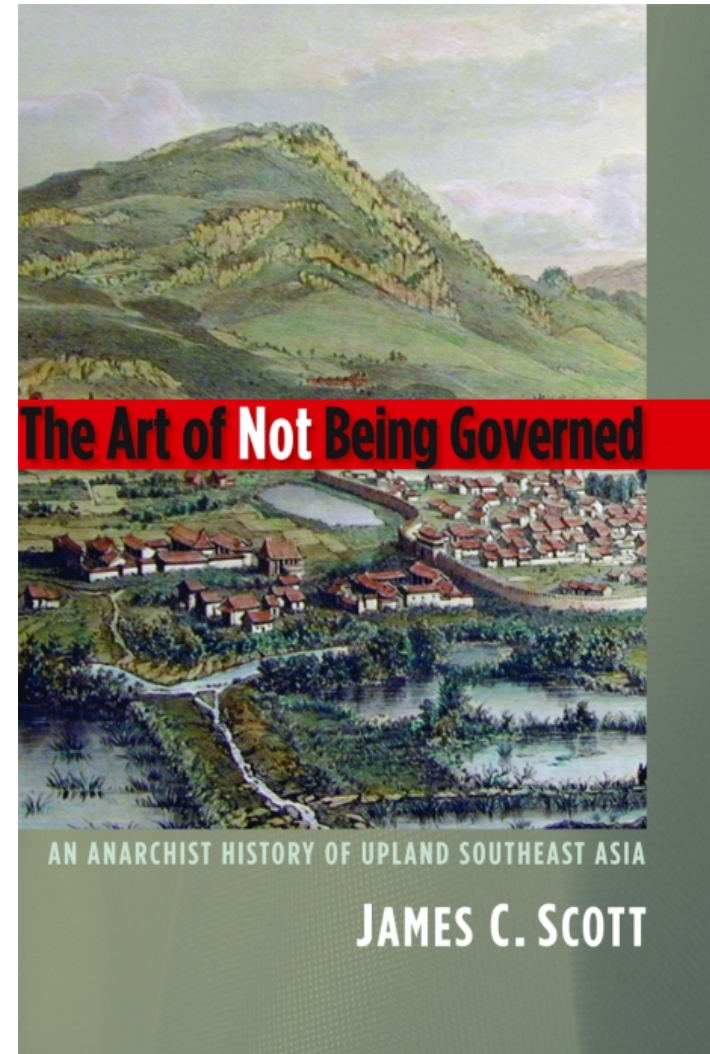
e.g. The informal economy as a form of exit from the purview of the state
Technocrats often forget that such exit is a purposeful and endogenous response to the state



Note: Data for 22 Transition Economies is 2000/01 average, and data for 21 OECD countries is 2001/02 average.

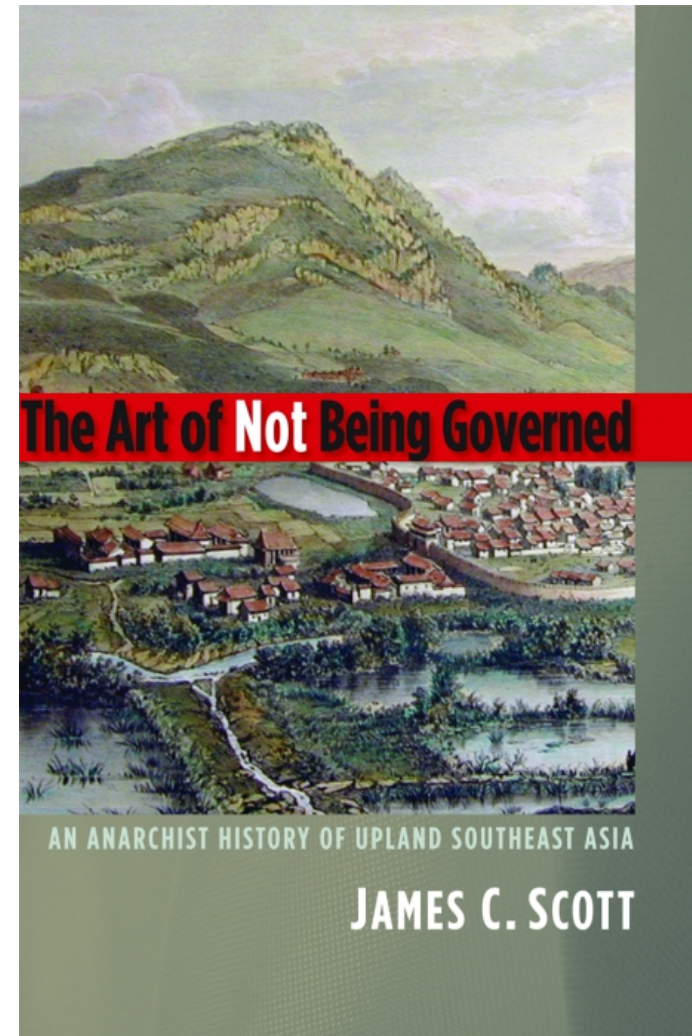
Indeed, Scott argues that entire forms of social organization were
(adaptively) forms of exit

Their subsistence routines, their social organization, their physical dispersal, and many elements of their culture, far from being the archaic traits of a people left behind, are purposefully crafted both to thwart incorporation into nearby states and to minimize the likelihood that statelike concentrations of power will rise among them.



His key insight: The features that make so-called “underdeveloped” or “barbaric” societies hard to rule – these are endogenous, adapted responses

- These societies have a long history of avoiding a coercive state
- “Barbarians” by choice, to put distance between them and lowland states
- Culture has adapted to make legibility and control difficult
 - Crops that are difficult to count and tax
 - Yams versus corn
 - Lack of stable location
 - Mobile herding versus settled agriculture
 - Lack of stable naming conventions
- Technocrats too often “see like a state”



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When are states dependent or autonomous from its citizens?

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An economic interpretation of L



One view of L: The present value of any production and taxes lost if the citizen stops producing taxable goods or runs away

More dependent on citizens

- Easy versus hard-to-tax forms of agriculture
 - Horticulture (coffee, fruit trees, cocoa): valuable, easy to tax
 - Yams and potatoes: easy to hide
 - Sheep: easy to move
- Manufacturing: Large firms who will move location or reduce production under heavy taxation or coercion
- Large informal sector or black market for formal firms and workers to shift into at will

More autonomous states

- Point resources
 - Oil wells
 - Mining and precious metals
 - Logging
- Trade taxes: Fairly hard for citizens to evade without stopping production
- Seignorage: Printing money
- High capacity to observe transactions
 - Formal financial system with elaborate record keeping

What might foreign aid might do to L?

(Hint: It depends.)

L as “legitimacy”

What was costly to the state about Ghandi’s Salt March?

- Act of nonviolent civil disobedience in colonial India
 - Produced salt from seawater
 - Was the practice of the local populace until British officials introduced taxation on salt production
 - British deemed their sea-salt reclamation activities illegal, and then repeatedly used force to stop it
- Who was the audience for this action?
- Why was V costly?
- In what countries or circumstances would this be ineffective?



The nonviolence movement is often an explicit strategy to decrease the legitimacy of the regime to other audiences, and raise the chances actors outside our simple 2-player game exit or undertake voice. Arguably the support of this outside audience is implicit in L.



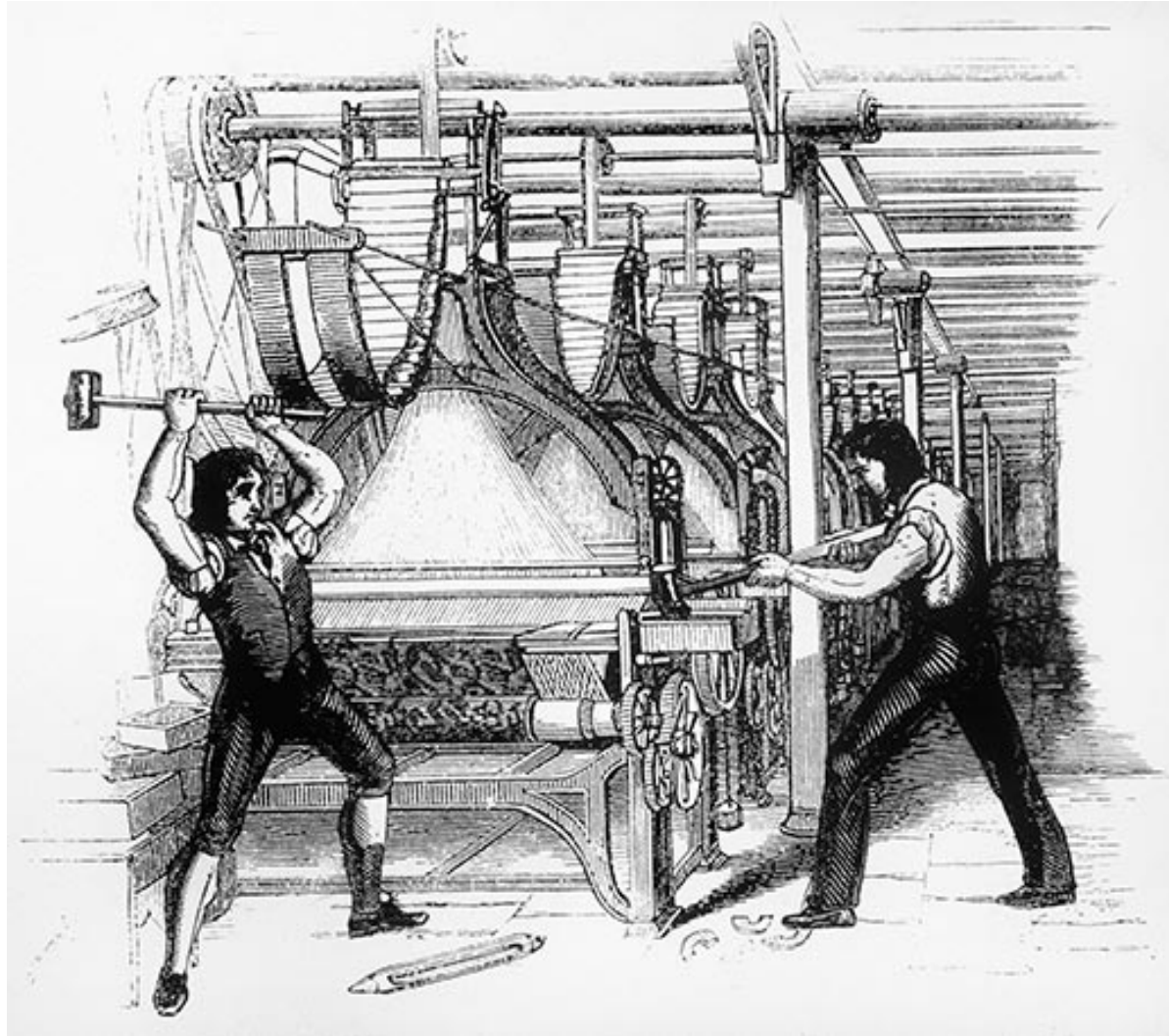
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What is costly to the state in this circumstance?

The Boston Tea Party



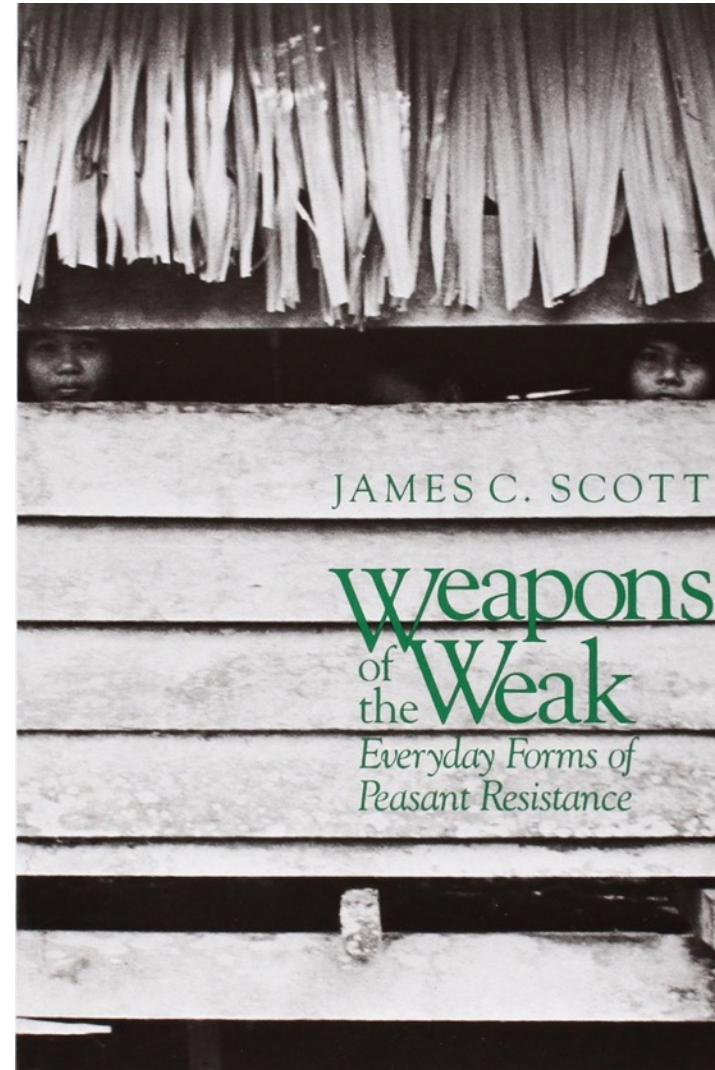
Property destruction, strikes, and some protests can have direct impacts on the assets and rents collected by ruling elites



Machine-breaking by British Luddites, 1812

Other direct costs are more subtle:
Weapons of the weak and "everyday resistance"

- Large-scale collective action is relatively uncommon
- Rather people respond to domination through cultural resistance and non-cooperation
 - Foot-dragging
 - Evasion
 - False compliance
 - Pilfering
 - Feigned ignorance
 - Slander, rumor, gossip
 - Sabotage



These direct costs (and civilian bargaining power) are greater when rents depend on civilian cooperation, investment, and productivity



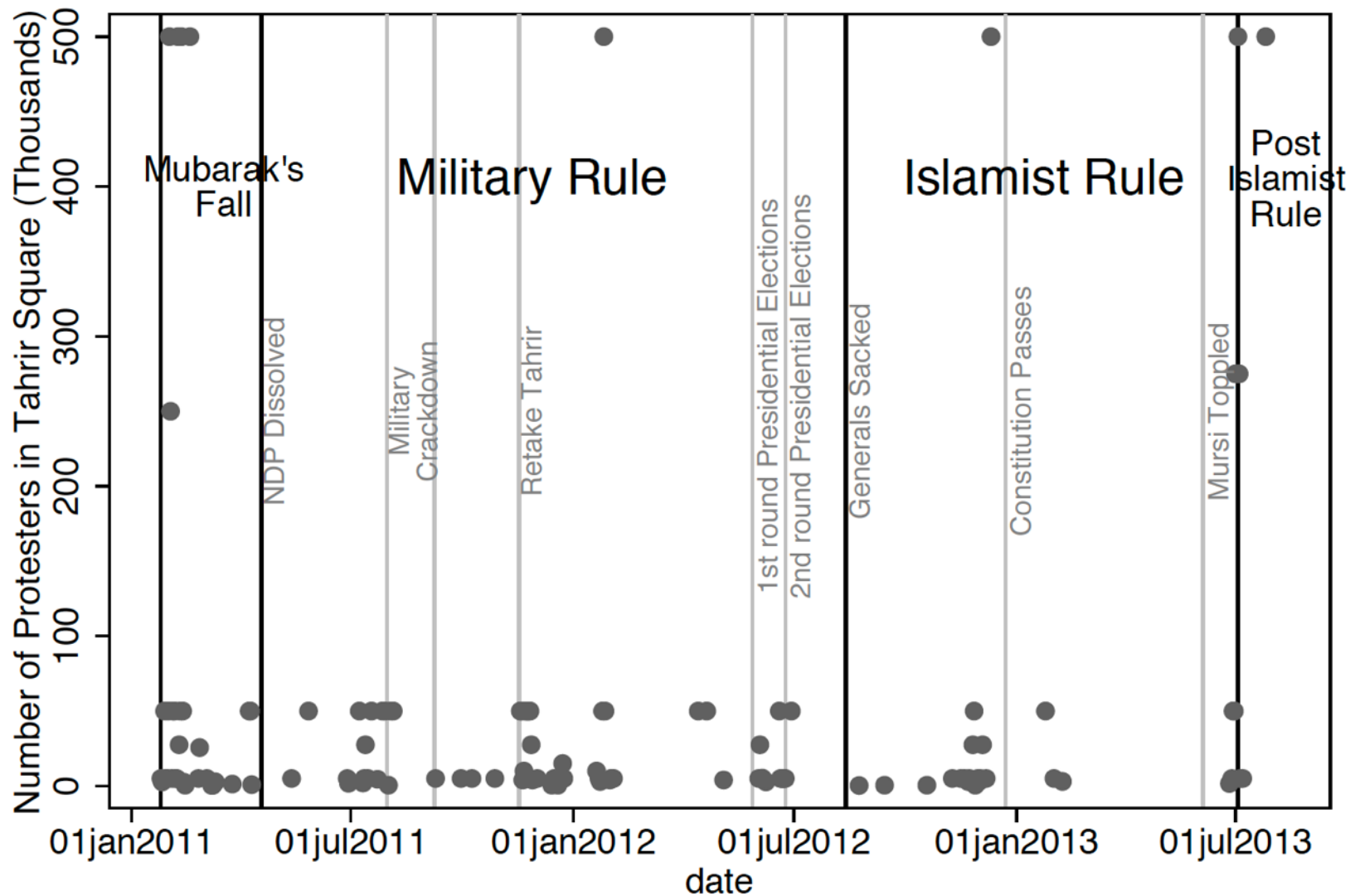
The Second Amendment purposefully gave coercive power to civilians, to facilitate armed rebellion, and this make it costlier for the state to thwart democracy

The strongest reason for the people to retain the right to keep and bear arms is, as a last resort, to protect themselves against tyranny in government.

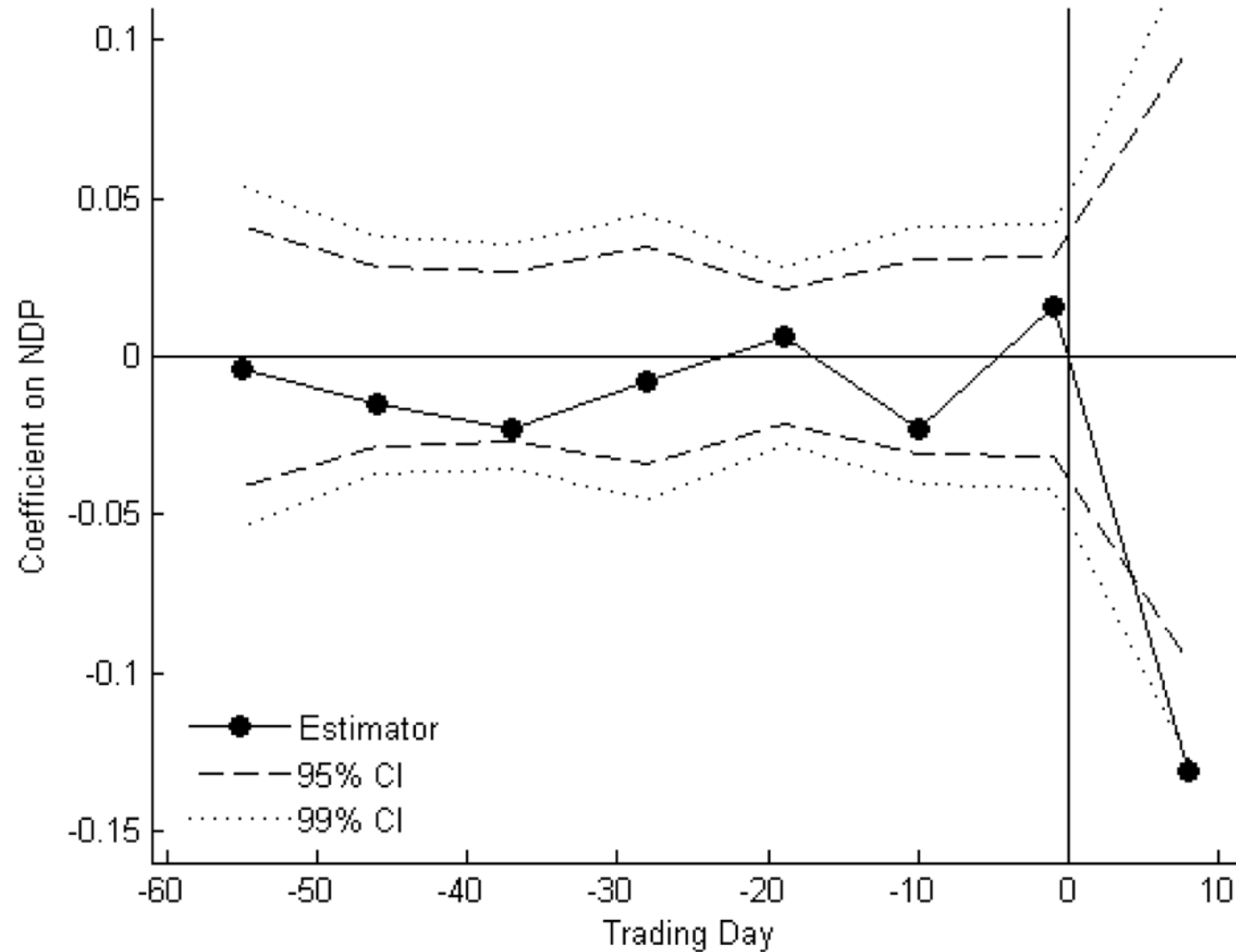
Thomas Jefferson



How do we know if voice was costly in Egypt during the Arab Spring?



One indication of these costs: Stock market returns on politically-connected firms in Egypt fell with protest size



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Voice generally implies that citizens have solved a collective action problem
What does that mean?



How do societies mass mobilize?

The collective action problem in mass mobilization

- A product of externalities:
 - The benefits of a successful revolution are enjoyed by all
 - The costs are incurred by those who participate
 - So why join?
- Economically-rational answer: Mass movements create “selective incentives”
 - Material rewards
 - Non-material rewards
 - Social sanctions
 - Coercion



I want to talk about two kinds of individual-level explanations

1. Material selective incentives

- Money (wages, loot, land)
- Club goods (insurance, credit, public goods)
- Coercion

2. Non-material selective incentives

- Personal (esteem and praise or the opposite -- sanctions)
- Club goods (status, spiritual rewards)
- Intrinsic value in participation
 - Revenge, or response to injustice

Material selective incentives: Greed and the opportunity cost of going to war

- There is a simple, individually rational economic answer:
 - When the returns to returns to predating exceed the returns to producing
 - i.e. when the opportunity cost of joining a rebellion is low
- Began as a theory of crime (e.g. Gary Becker)
- The evidence suggests these incentives matter, but only somewhat



Money or wages is a too narrow view of material selective incentives

Some examples

1. Protection from violence
 - In some wars, significant risk of violence as a civilian
 - Coercion and violence used as a selective incentive
2. Conscription
 - Armed groups often threaten violence to those who do not serve their interests
3. Access to sex
4. Access to “public goods”



Eli Berman: What can we learn from religious sects about material incentives?



“Club goods”: People can be excluded from community-provided public goods

- Government a poor provider of local public goods (education, public safety)
- The market is an inefficient provider of income and insurance
- Affiliation with kin, a tribe, or sect is a source of mutual insurance and public goods
 - Assistance when poor/sick
 - Access to education and health services



Why would sects prohibit common pleasurable behaviors and require sacrifices?

- This is costly, e.g.
 - Prohibited dress, food, sexual relations
 - Or requirements to destroy or sacrifice valuable property, or years of volunteer work
- An enforceable form of taxation on secular activity, inducing members to work less and spend more time at religious activities with positive externalities
- Separating device with there is imperfect information
 - Any religious sect that acts as social-service provision clubs has to discourage free-riders (adverse selection)
 - Sacrifice separates the sincere and committed types from the insincere and uncommitted types

Applying these insights to radical Islamic groups

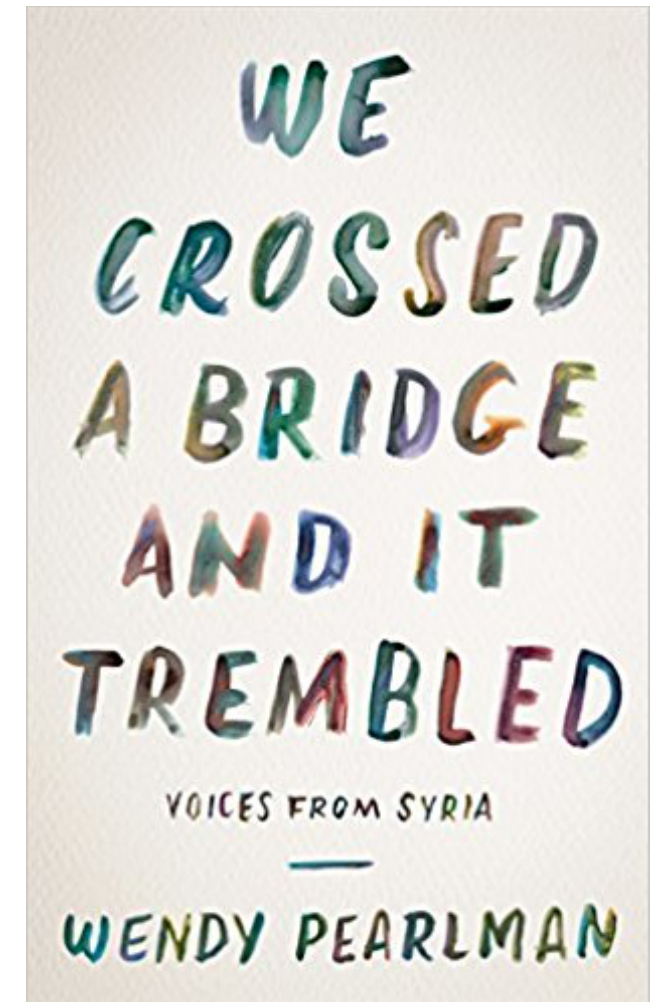
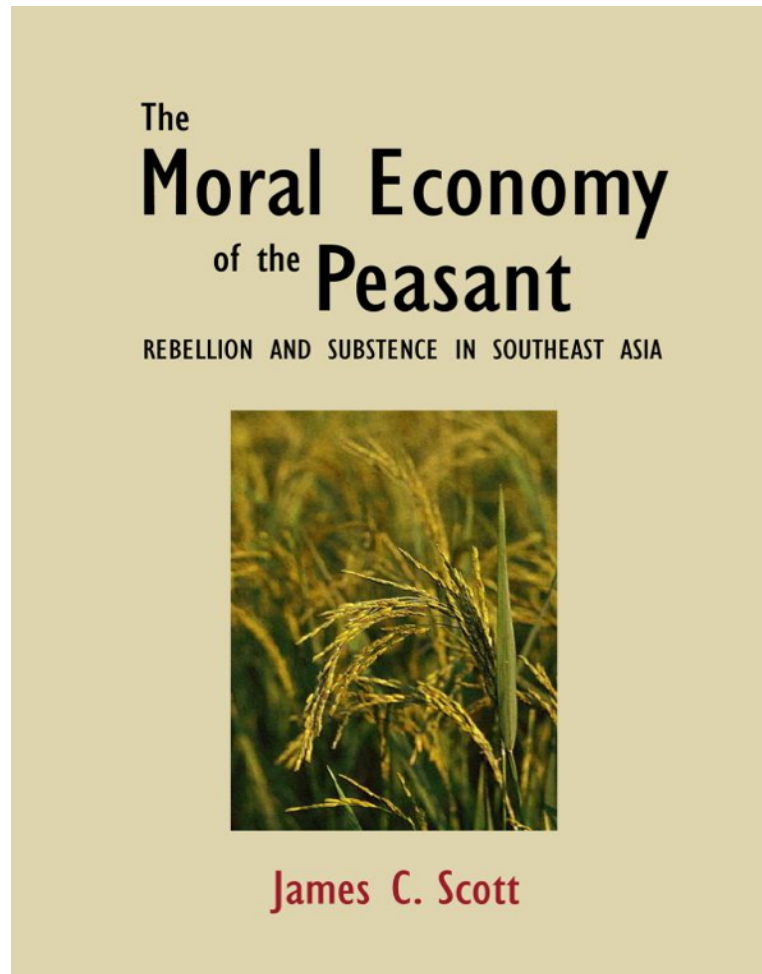
- How to explain the Taliban practice of years of religious study that offers little training in marketable skills (or even combat skills)?
- A signaling mechanism adopted for the provision of other public goods allows Taliban to select members unlikely to defect or provide information to the enemy
- They attract people who derive intrinsic utility from the community or the cause
- Wages might attract opportunists



Another non-material selective incentive is vengeance



“Injustice” is possibly the common explanation in histories and ethnographies of who participates in revolts and rebellions



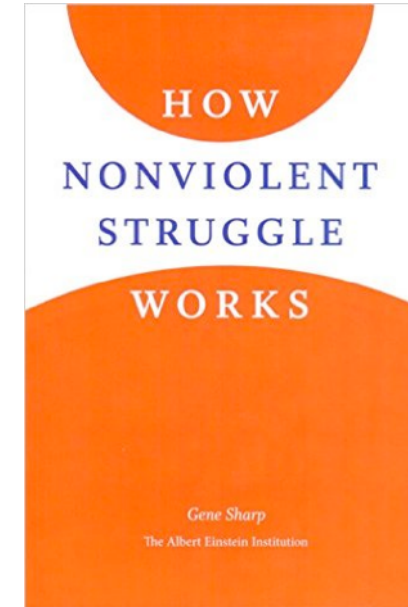
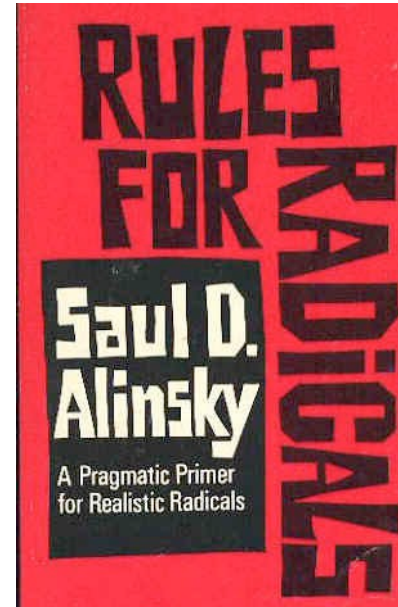
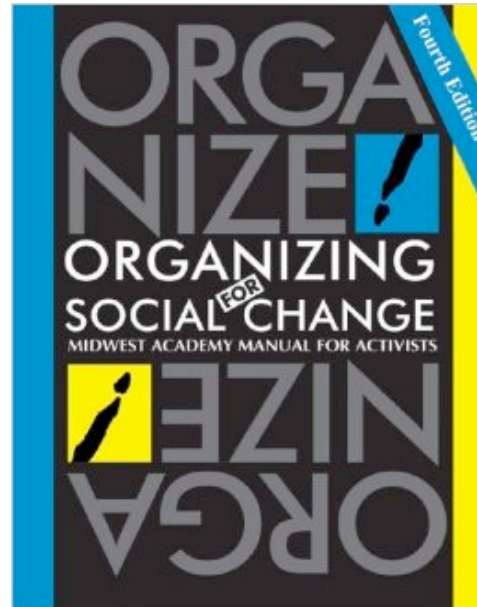
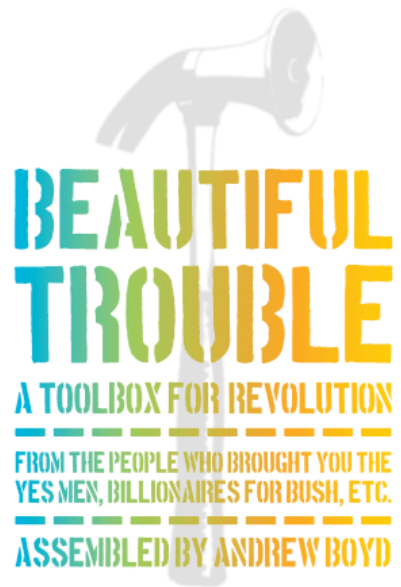
Many forms of social mobilization are hard to explain without an appeal to preferences: intrinsic motivations or emotional rewards



Many explanations for political behavior rely on
intrinsic utility from the action

This begs the question of where this utility
comes from and why it varies across
movements, organizations, and societies

Social movements literally write manuals: They treat it as a technology (a set of techniques) that can be learned and adapted



- These are in part techniques for reducing the cost of voice to citizens and the elites who mobilize them: organizers

Berman and Laitin's "club goods" models of religion and of armed organizations: A "technology" for solving the collective action problem in public goods provision and other activities



So when should we expect to see voice mobilized effectively?

- In circumstances where it is possible to use selective incentives to mobilize the population
- Or circumstances help create intrinsic value in participation
- Aided by the presence of able leaders with access to techniques of mobilization
- Especially in societies with longstanding traditions of social mobilization, and dense horizontal linkages within and between groups of citizens: social capital