Political development & policy

The final five weeks

- Now that we have a sense of how politics is organized in most states, and paths of political development, we will study modern interventions:
  - Structural adjustment
  - Armed interventions
  - Aid
  - State building
  - Democracy promotion

- But first, today: A final history lesson
  - We have largely talked about the root forces leading to state and institutional development
  - But it is different to be a follower than a leader in state development
  - "Late developing" societies have been buffeted by change from the "early developing" societies, only some of it good

Our goal is to understand the dysfunction and crisis we observe in so many countries in the late 20th century

- Why did post-colonial governments tend to reject democracy and centralize power?

- Why did they develop highly controlled, state-led systems of economic control?

- Why was there a massive economic and political crisis in the 1980s?

- The case for and against "neoliberal reforms" such as structural adjustment

Two broad answers, one that emphasizes local agency and one that does not

1. Decisions taken by local elites to preserve or expand their power

2. How imperialism and globalization shaped incentives and constrained choices

Today we will focus on these external influences: Imperialism and globalization

- One reason so many states and societies were weak by the late 20th century was profound destabilization by the first 400 years of intensive globalization and imperialism
  - New technologies, disease
  - Toppling of social orders
  - The slave trade, colonialism, mercantile policies

- Colonial and imperial policies endowed many societies with a stronger state and public goods than they might otherwise have had

- But colonial and imperial policy also did little to strengthen society or broaden power in society

- Leaving in haste, most societies not only faced political instability after decolonization, but also highly concentrated political and military power
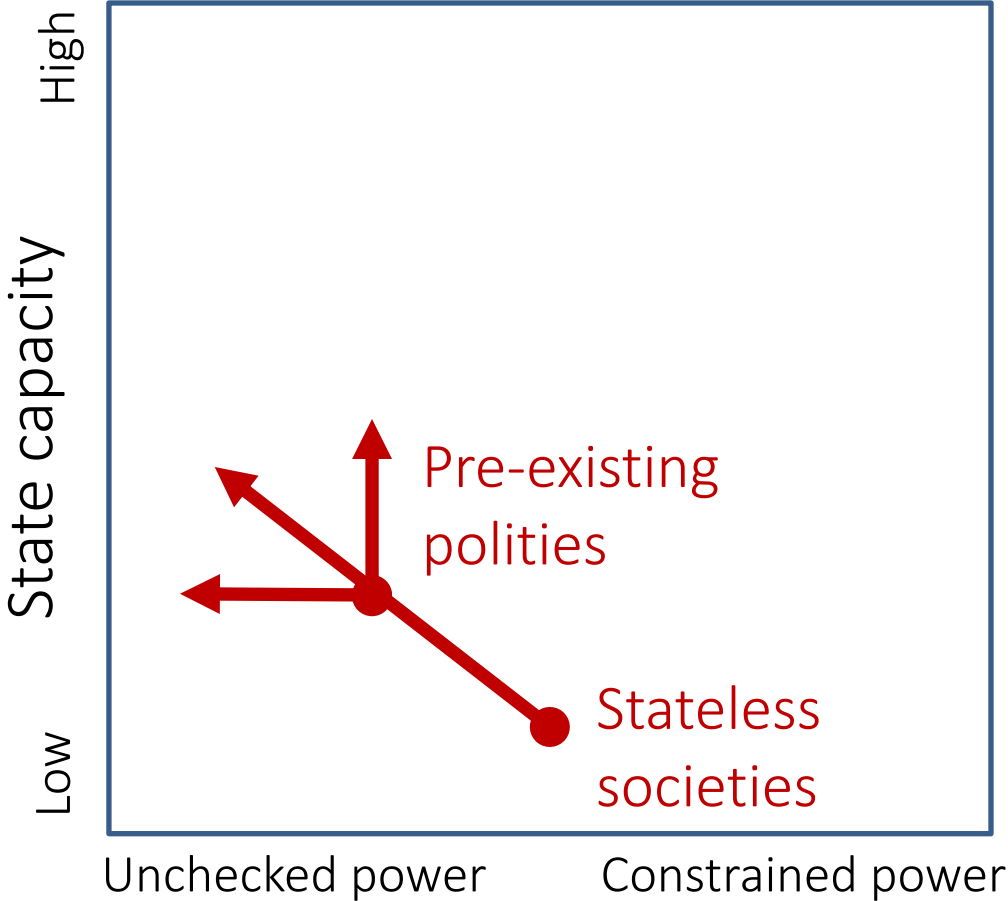
Common consequences of imperialism for political development

Atlantic slave trade

Colonization & Globalization

State capacity — High / Low
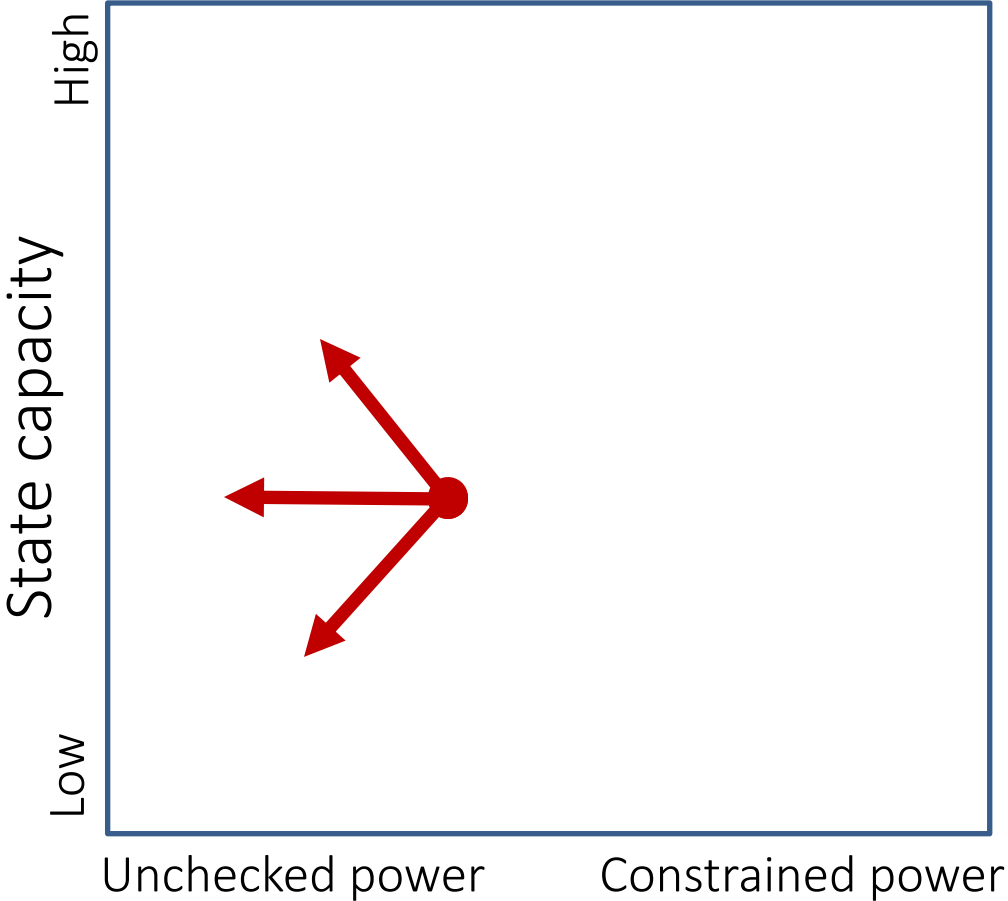
Constraining institutions

Unchecked power — Constrained power

Pre-existing polities

Stateless societies

I. How globalization and imperialism shaped "late developing" states and societies

What is imperialism?

What is imperialism?

"Extending the power and dominion of a nation by direct territorial acquisitions or by gaining indirect control over the political or economic life of other areas"

— Merriam-Webster dictionary

"Weaker peoples treated as possessions to be economically exploited"

— Emily Greene Balch, 1946 Nobel lecture

Societies with superior military, mobilizational, and material power have dominated others for millennia
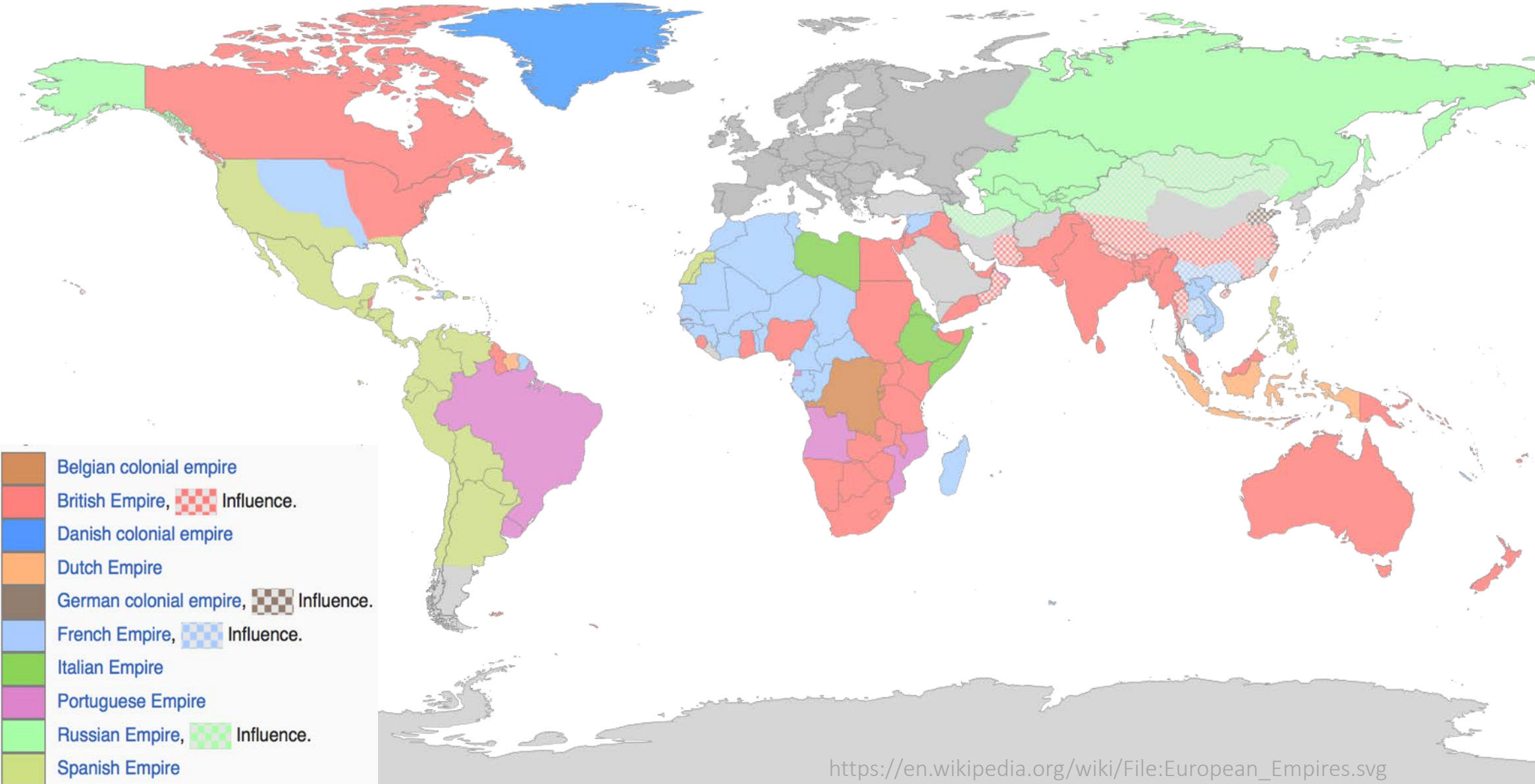
Mongol Empire, 1276

Ottoman Empire, 1600

Japanese empire, early 20th century

European imperialism 1500-2000 is the most extensive and global example

Belgian colonial empire
British Empire, Influence.
Danish colonial empire
Dutch Empire
German colonial empire, Influence.
French Empire, Influence.
Italian Empire
Portuguese Empire
Russian Empire, Influence.
Spanish Empire

https://en.wikipedia.org/wiki/File:European_Empires.svg

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Is this imperialism?

France

China

Senex Map, 1719

Imperialism: A summary of a vast literature

- On the one hand, they commonly:
  - Built bureaucracies and state capacity
  - Ended violent infighting
  - Introduced new ideas and technologies
  - Increased trade and integration
  - Invested in public goods

- On the other hand, they almost always:
  - Violently conquered and repressed
  - Extracted resources and tribute
  - Reorganized ownership and production
  - Controlled economies
  - Coerced and subjugated people
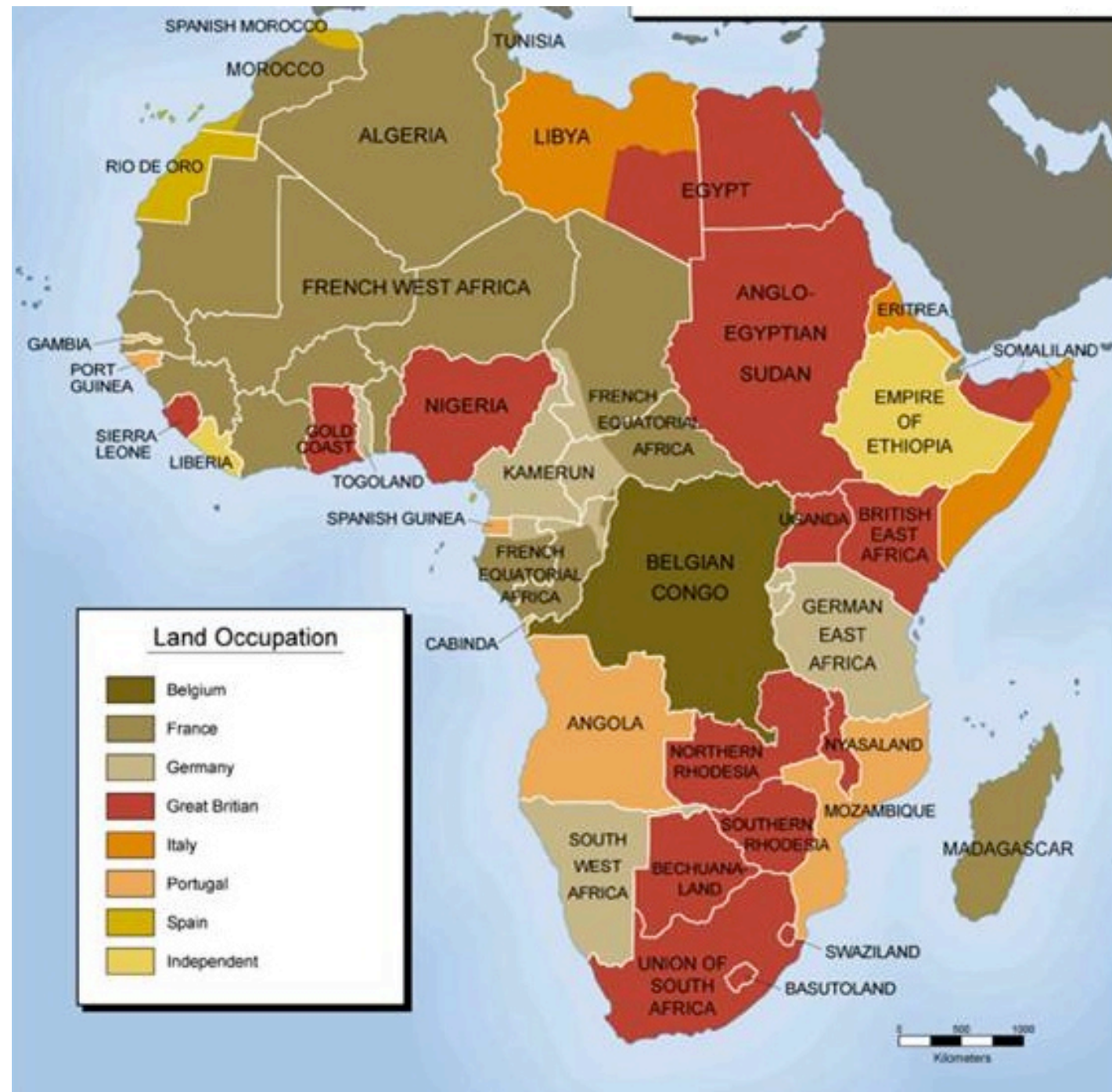 - Weakened society and reduced government accountability

Cecil Rhodes

How globalization and Western imperialism shaped order and institutions in late developing states

Four points emerge from a vast political economy literature:

1. Trade and globalization disrupted traditional orders

2. The mixed effects of colonialism

3. Cold War politics insulated rulers from the rule of law and accountability

4. Introduced promising yet problematic development ideologies

I will focus on imperialism in Africa (but draw parallels to South Asia and Latin America)

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How globalization and Western imperialism shaped order and institutions in late developing states

1. Trade and globalization disrupted traditional orders

2. The mixed effects of Colonialism

3. Cold War politics insulated rulers from the rule of law and accountability

4. Introduced promising yet problematic development ideologies

OCTOBER 5, 2009

Olympia Snowe: The Senator Who Holds the Key to Health Care Reform

Joe Klein on Obama's Foreign Policy Struggles

Heroes of the Environment: TIME's Green All-Star Team

TIME

SPECIAL REPORT

The Tragedy Of Detroit

How a great city fell— and how it can rise again

BY DANIEL OKRENT

www.time.com

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Globalization brings profound economic change and with it social upheaval and weakness

- Strong societies with strong systems of social control and adapted strategies for survival find themselves struggling to find new strategies and systems of control

- Possible implications
  - New sources of and claims to power
  - Rising inequality and social stratification
  - Political upheaval and violence

- We can see parallels today in the disruption of US industry
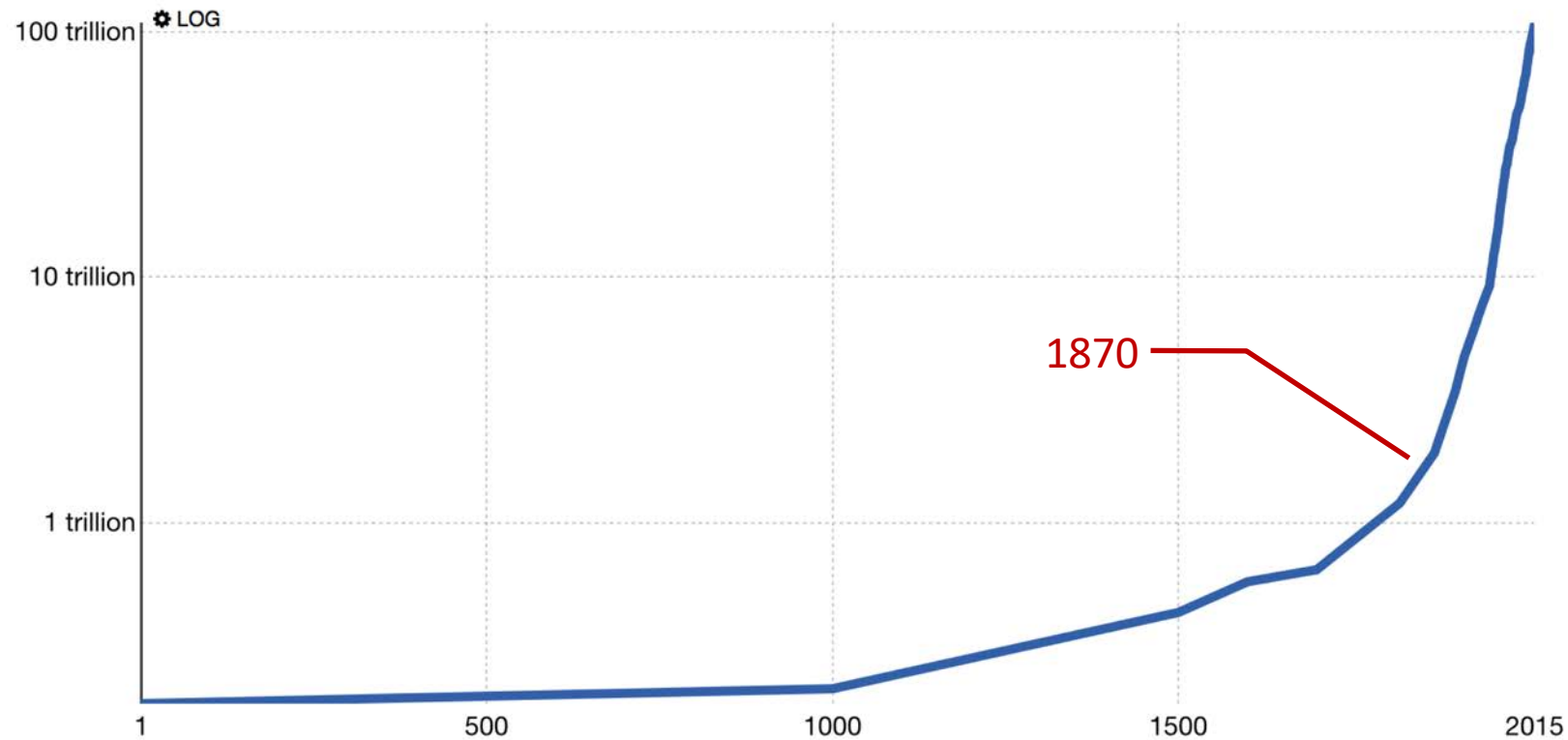 - But now imagine changes many times more powerful

1500-1870: Steady advances in European agriculture, weaponry, commerce and transport drive unprecedented trade, commerce, and the "first era of globalization"

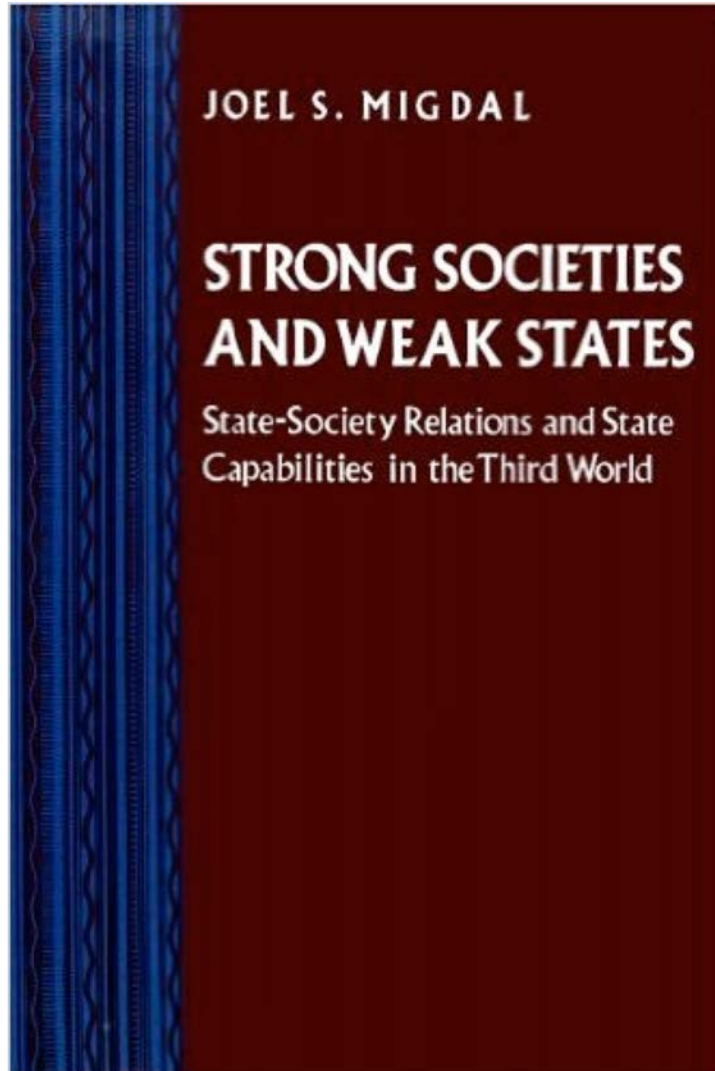World GDP over the last two millennia
Total output of the world economy; adjusted for inflation and expressed in 2011 international dollars.

Data source: World GDP (Our World In Data based on World Bank & Maddison)   OurWorldInData.org/economic-growth · CC BY-SA

1500-1870: Technological change and European expansion transformed and destabilized traditional societies

JOEL S. MIGDAL

STRONG SOCIETIES AND WEAK STATES

State-Society Relations and State Capabilities in the Third World

- New goods
- New livelihoods
- New technologies
- New war machines
- New diseases
- New gods
- New institutions
- New worldviews
- New allies

One example: Privatization and concentration of land

- Land is the basis of social organization, political power, and economic organization in agrarian societies

- Europeans almost never encountered societies that were organized for the large-scale production of the commodities it demanded

- Large-scale cash crop production required:
  - New systems of tenure (privatization) and control (concentration)

- Imperial powers sought out and empowered figures—landlords, tax collectors, officials, etc.—who could guarantee goods or tax flows

An example from India: The Zamindari (Lakshmi & Iyer 2005)

- To maximize revenues, Britain identified and empowered people opportunistically

- Collected land revenues through cultivators in some districts and empowered landlords (Zamindari) in others

- Where they reinforced a non-landlord system, wheat yield is +23% and infant mortality -40% today

- Lessons:
  – Disruptive, transformative nature of land and tax policy
  – Unintended, unpredictable long term consequences

Zamindar of Nattathi

# The African slave trade: One of the most profound sources of upheaval
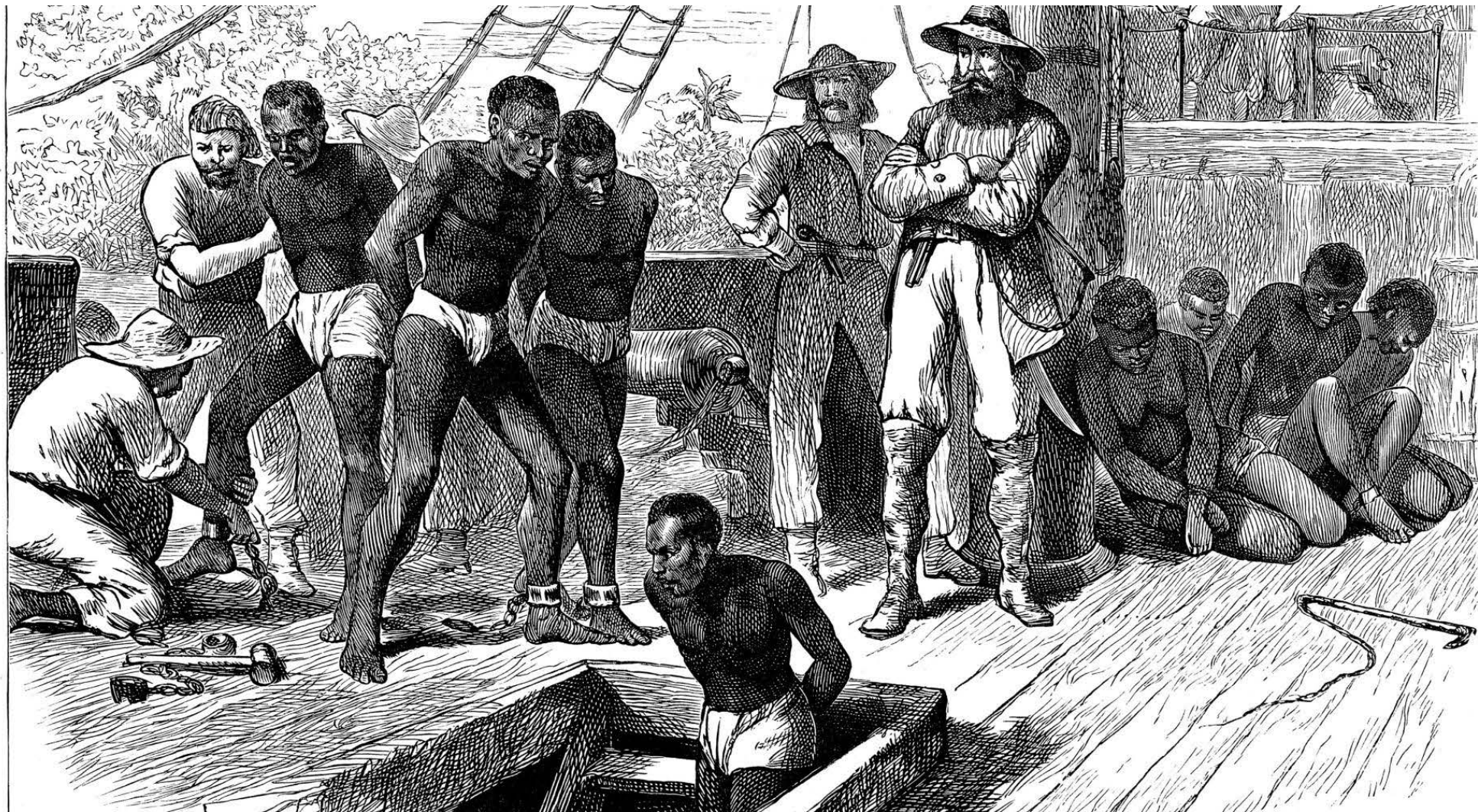
Africa had known an internal and Eastern (Arab) slave trade for centuries

But the scale and depravity of the Atlantic Slave Trade would dwarf the Arab trade after 1500

- Arab /eastern slave trade:
  - Est. 7 million shipped

- Atlantic slave trade:
  - Est. 9-12 million shipped
  - (Roughly half by Portugal)
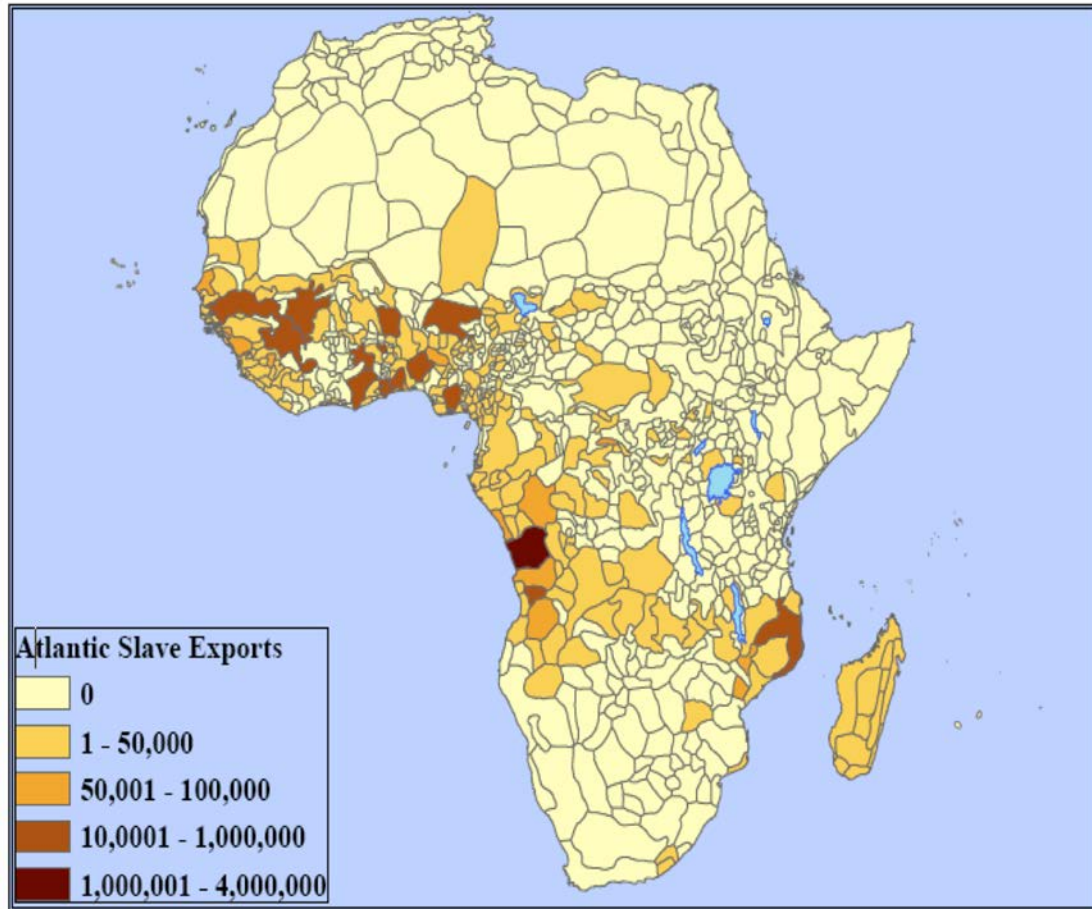 - (Number killed in raids or before shipment unknown)
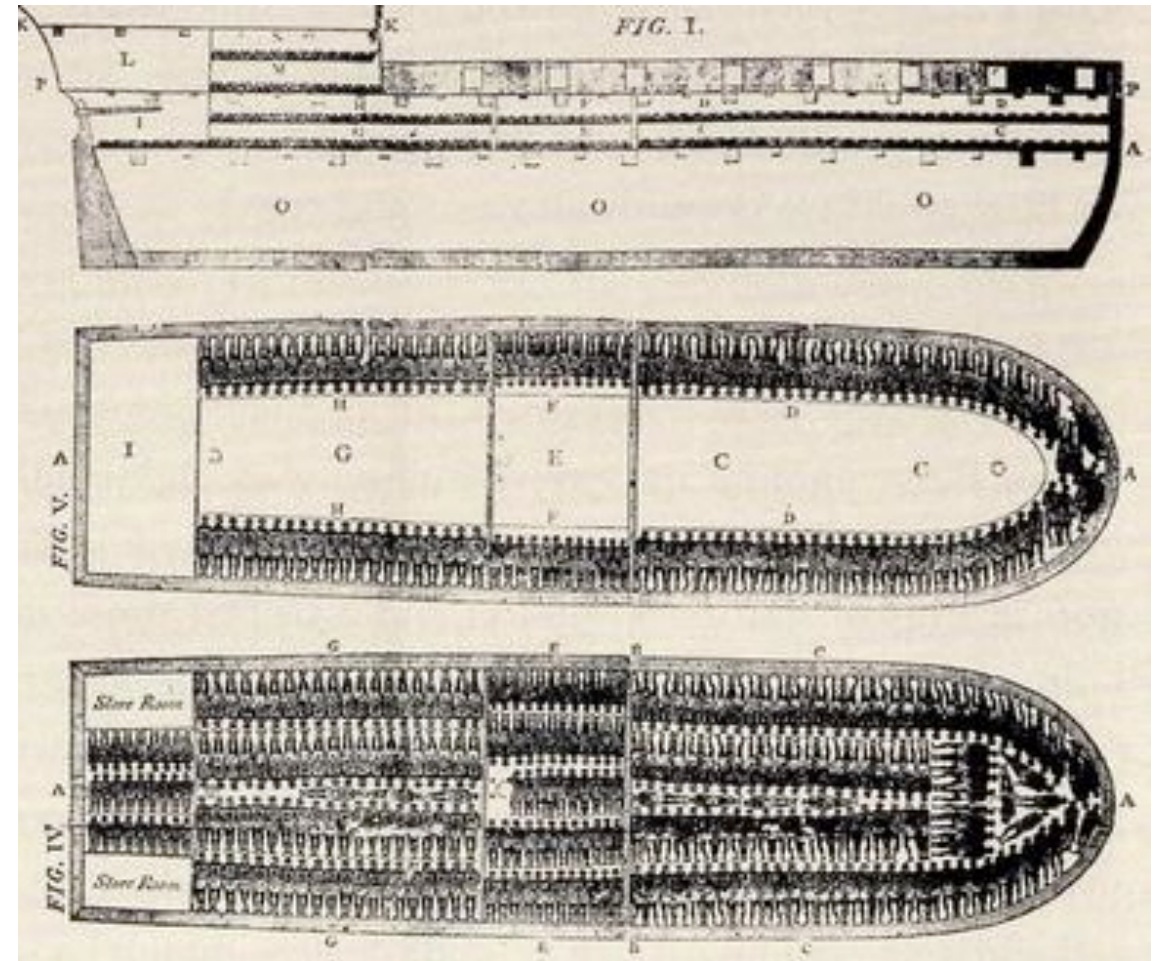
Abolitionist poster: Diagram of the 'Brookes' slave ship, loaded to full capacity of 454 people
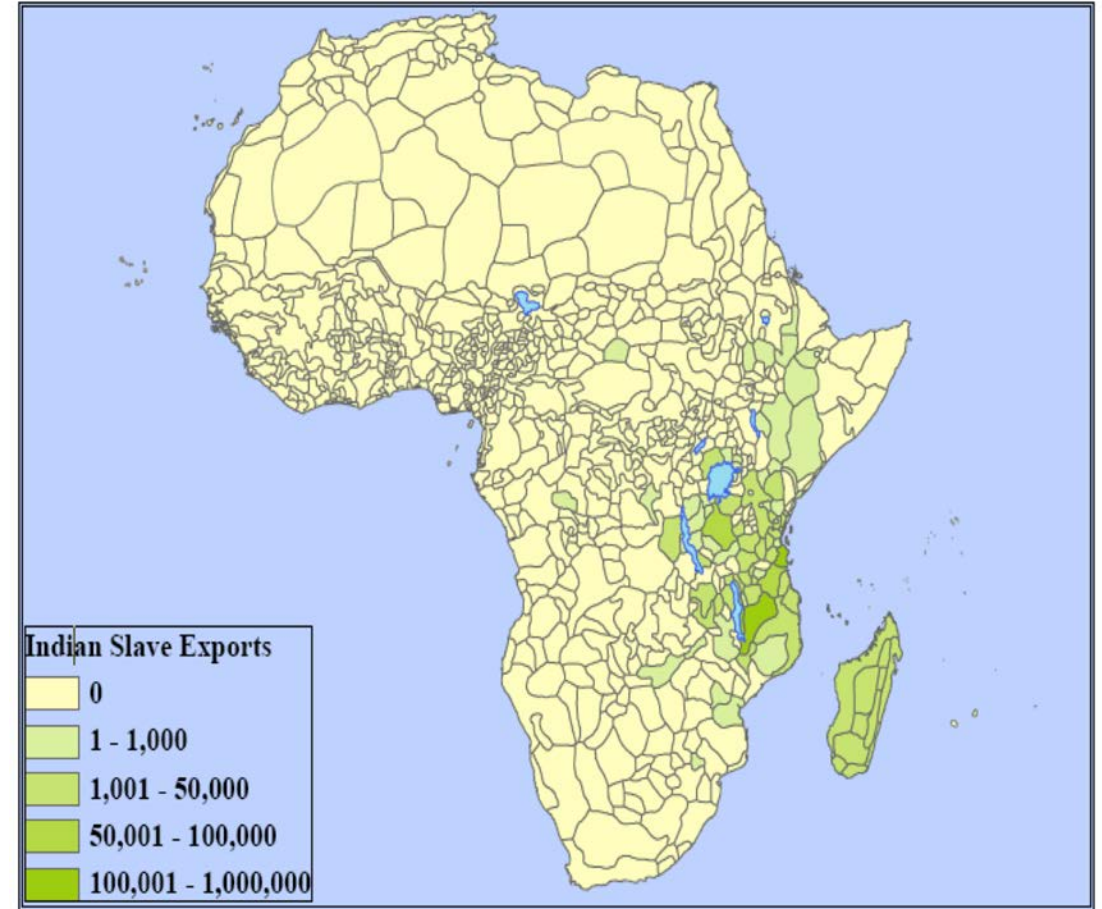
Main destination: South America & Caribbean, 90% to work on sugar plantations
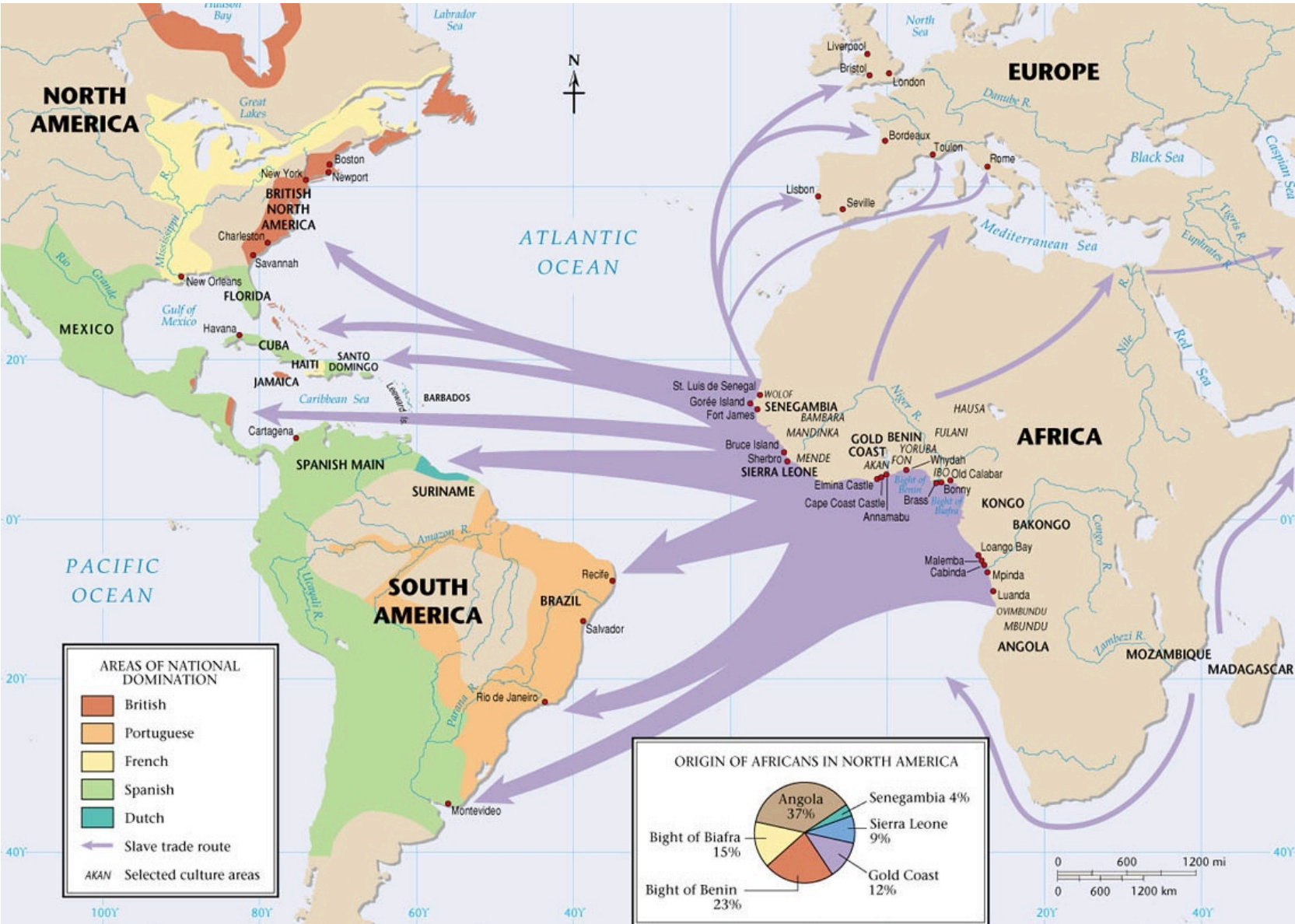
Regions (i.e. ethnic groups) most affected by the slave trades

Atlantic trade

Arab trade

By 1850, Africa's population believed to be half of what it would have been had the slave trades not taken place

Slave trade halves population (in densest areas)

Ecological conditions (soils & rains, disease, axes) ➡️ Low population density

Slaving created mass diorder?

More expensive for states to control territory ➡️ Weak states ➡️ Ease of conquest & current institutional quality ➡️ Current economic performance

Few navigable rivers, wild variation in climate

27
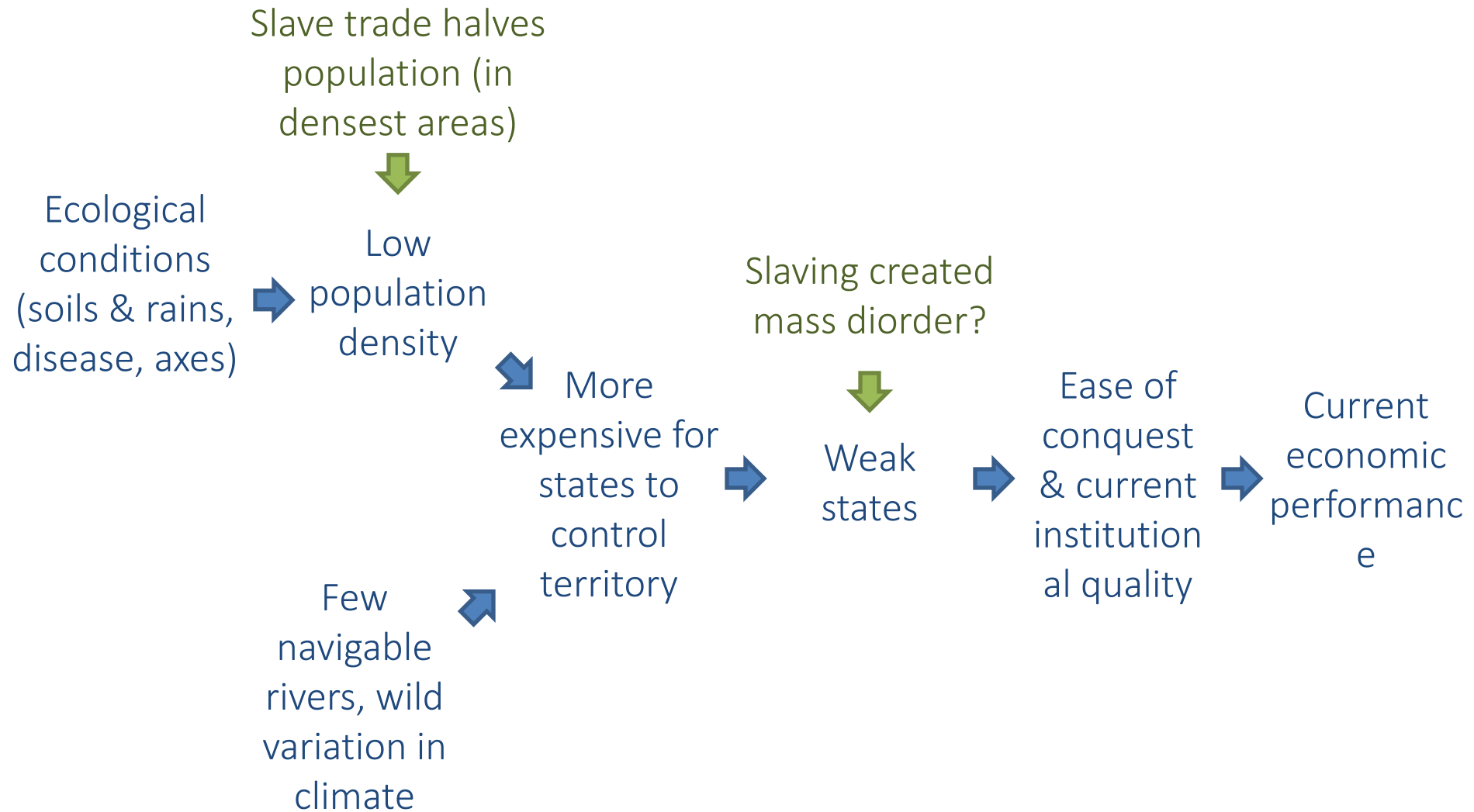
The greater the slave trade, the lower is income today…
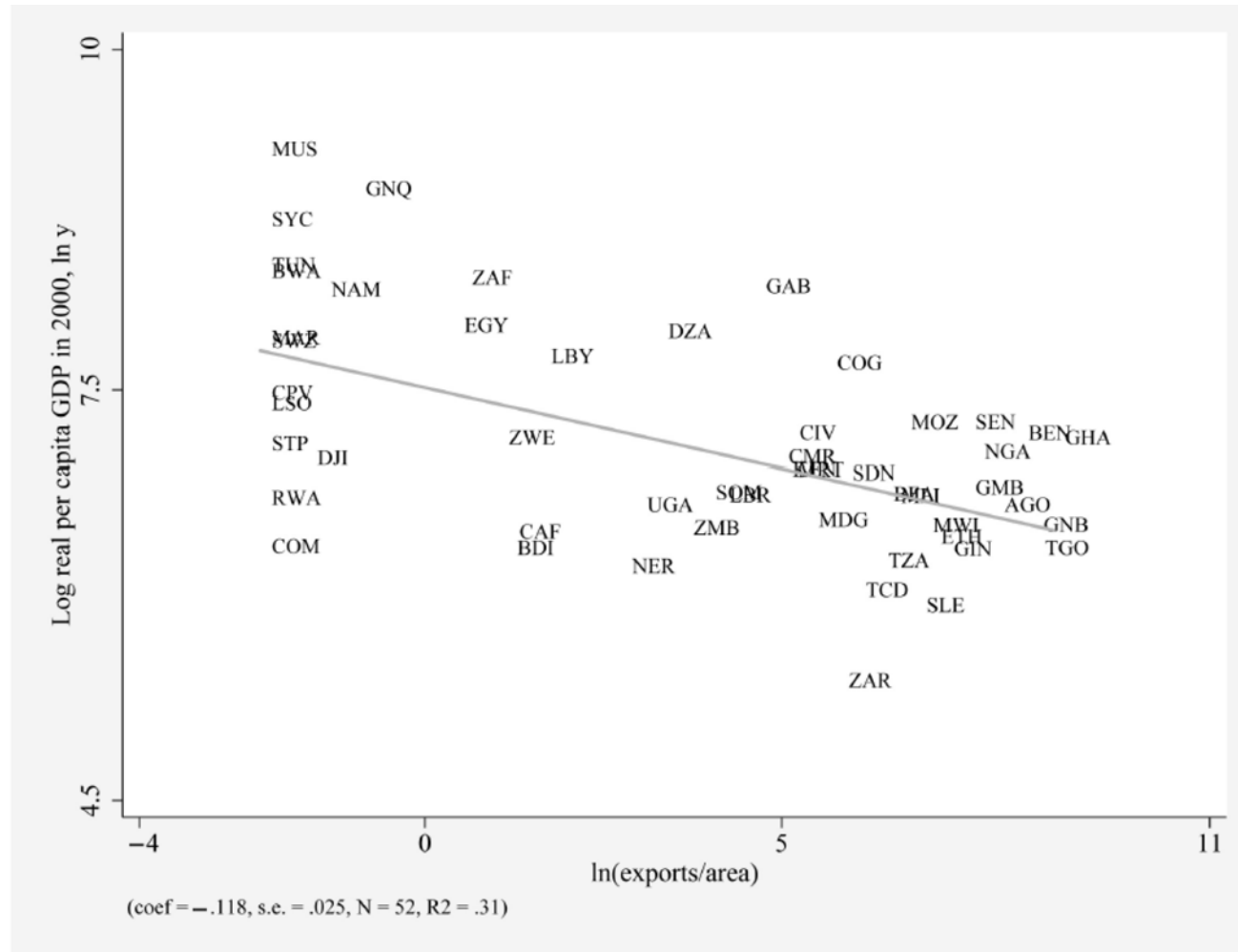
FIGURE III
Relationship between Log Slave Exports Normalized by Land Area,
ln(exports/area), and Log Real Per Capita GDP in 2000, ln y

…and the less developed the 19th century state
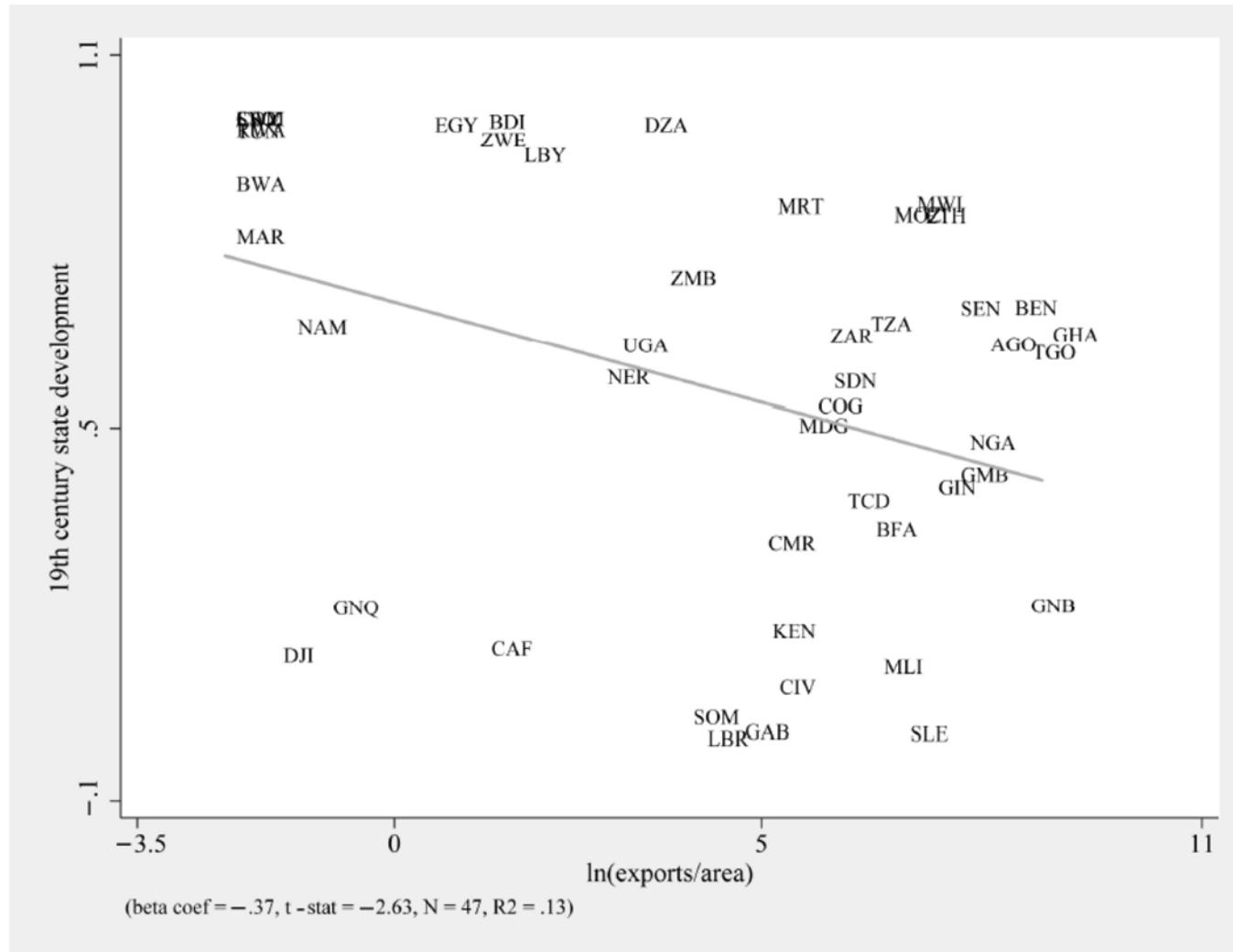
FIGURE VII

Relationship between Slave Exports and Nineteenth-Century State Development

If anything, this may understate the adverse effects of the slave trade
Because the slave trade took place in densest (likely the most developed) regions of Africa
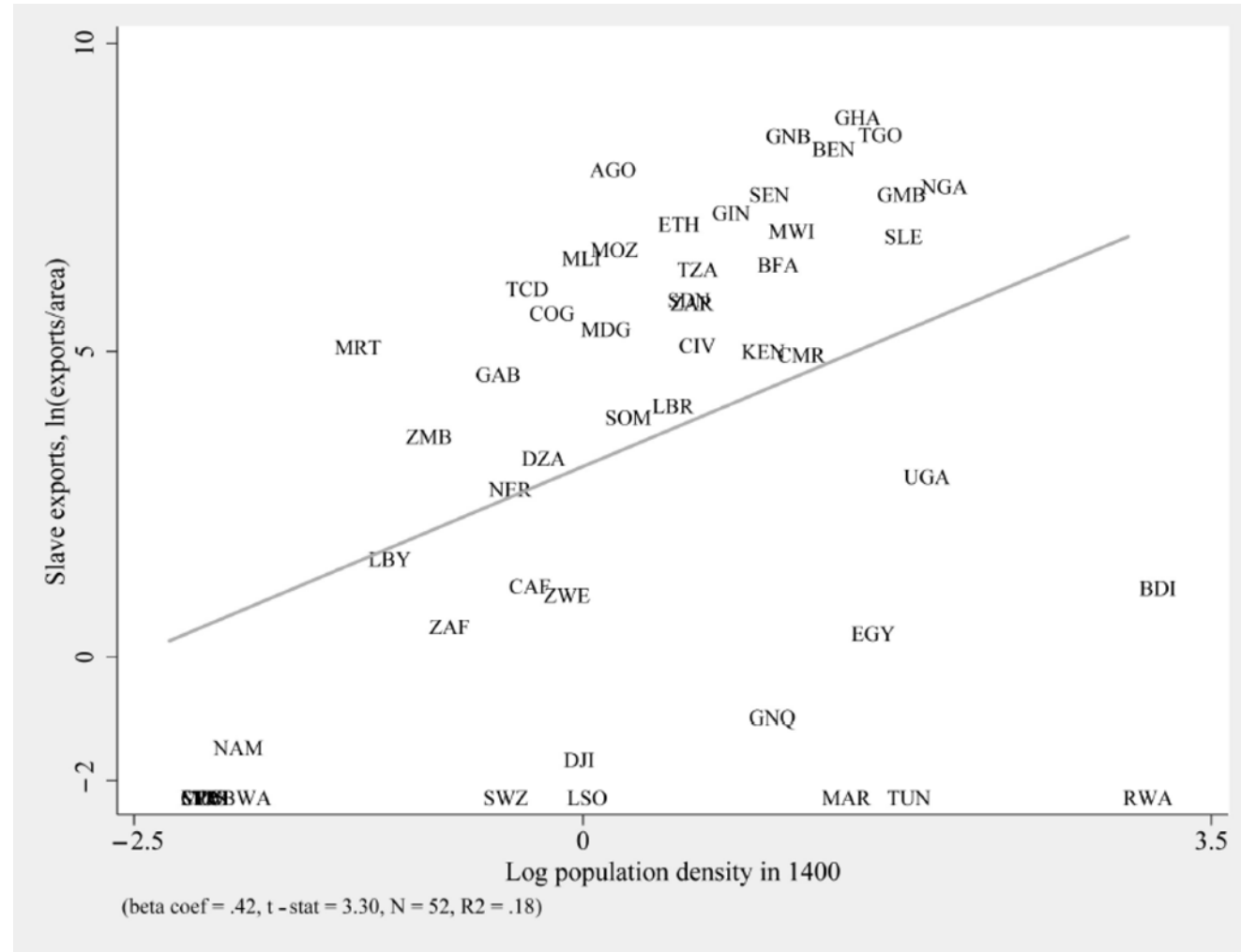
FIGURE IV
Relationship between Initial Population Density and Slave Exports

Also, the greater the slave trade, the lower are modern levels of trust (Nunn & Wantchekon)

Table 1. The Method of Enslavement among Koelle's Informants

| Manner of Enslavement	Percentage
Kidnapped or seized	40.3%
Taken in a war	24.3%
Sold/tricked by a relative, friend, etc.	19.4%
Through a judicial process	16.0%

Notes: The data are from Sigismund Koelle's (1854) Linguistic Inventory. The sample consists of 144 informants interviewed by Koelle for which their means of enslavement is known.

Nunn, Nathan, and Leonard Wantchekon. 2008. "The Trans-Atlantic Slave Trade and the Evolution of Mistrust in Africa: An Empirical Investigation." Unpublished working paper, Harvard University and NYU.

"*There are many traders in all corners of the country. They bring ruin to the country. Every day people are enslaved and kidnapped, even nobles, even members of the king's own family*"

— Affonso, King of Kongo, writing to the Portuguese king in 1526 (Vansina 1966)
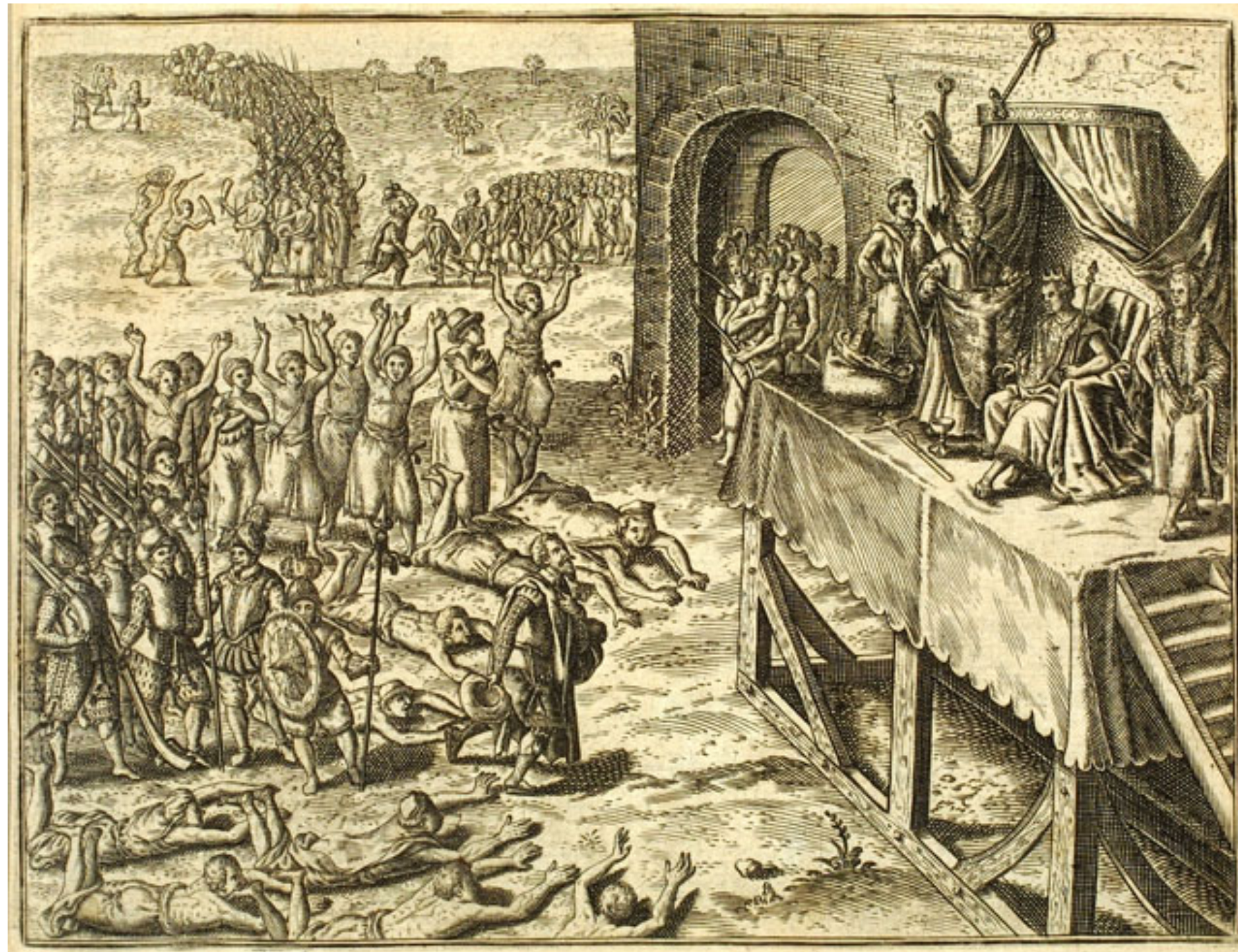
Nathan Nunn (+ many historians):
The slave trade undermined African institutions
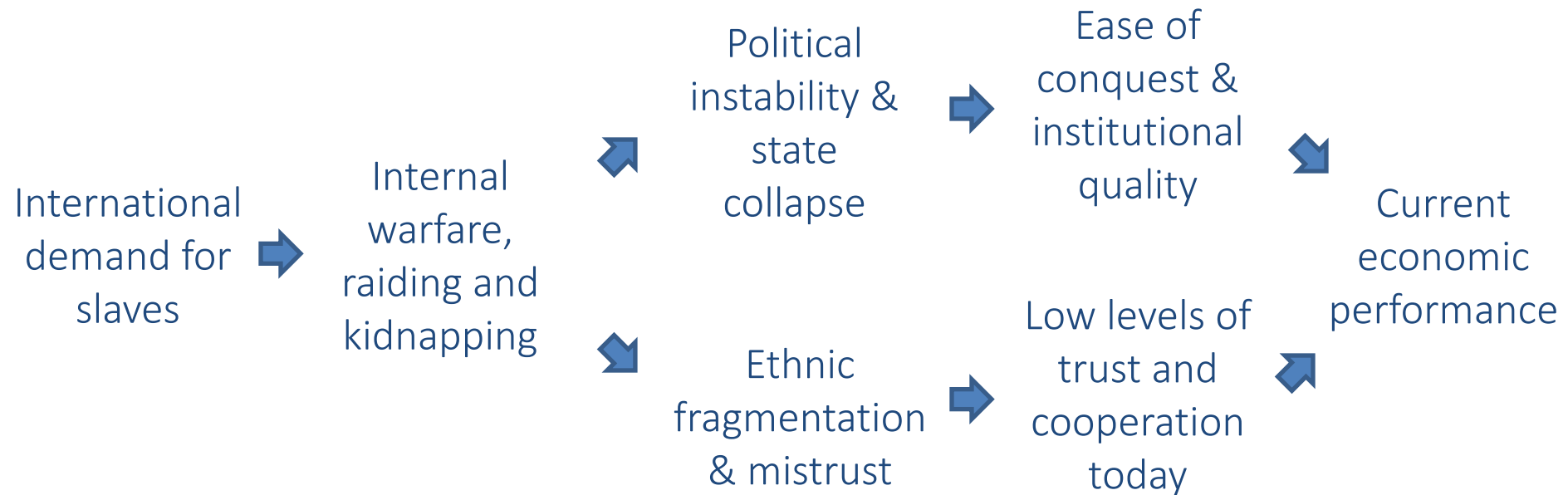
International demand for slaves → Internal warfare, raiding and kidnapping

Internal warfare, raiding and kidnapping → Political instability & state collapse → Ease of conquest & institutional quality → Current economic performance

Internal warfare, raiding and kidnapping → Ethnic fragmentation & mistrust → Low levels of trust and cooperation today → Current economic performance

How globalization and Western imperialism shaped order and institutions in late developing states

1. Trade and globalization disrupted traditional orders

2. The mixed effects of Colonialism

   – Increased state organization and public investment

   – But promoted highly centralized, coercive power

   – Over frequently arbitrary and hard-to-govern territories

   – And departed abruptly, promoting instability

3. Cold War politics insulated rulers from the rule of law and accountability

4. Introduced promising yet problematic development ideologies

Exploration, trade, conquest, and settlement are instigated with the advent of oceangoing vessels and would be driven by the opportunity to produce and trade new commodities
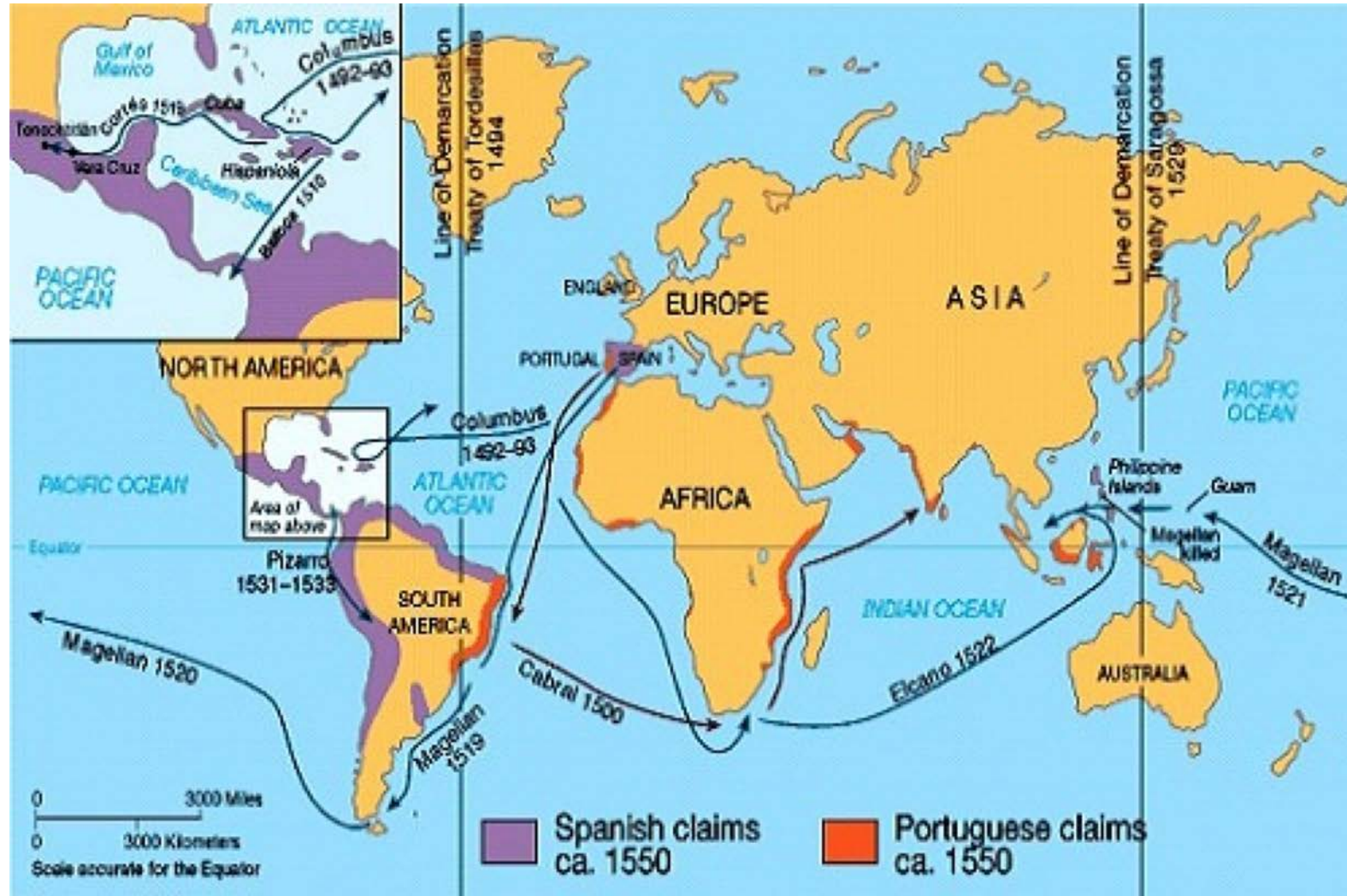
Due to its size, climate, disease environment, and lack of ocean-navigable Sub-Saharan Africa was among the most poorly integrated and explored regions

1554

Before 19th century, Europe treated Africa mainly as a supply of slaves (and some trade goods) and a way station to the "Far East"

- Relatively few states to conquer and rule through

- More limited production and trading opportunities

- Less hospitable to European people and agriculture
  - Diseases
  - Agricultural suitability
  - Precious metals

1805

External penetration of the continent would wait until the arrival of steamships, rifles, and quinine in the late 19th century

1867

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Conference of Berlin (1884-85)
The carving up of the continent
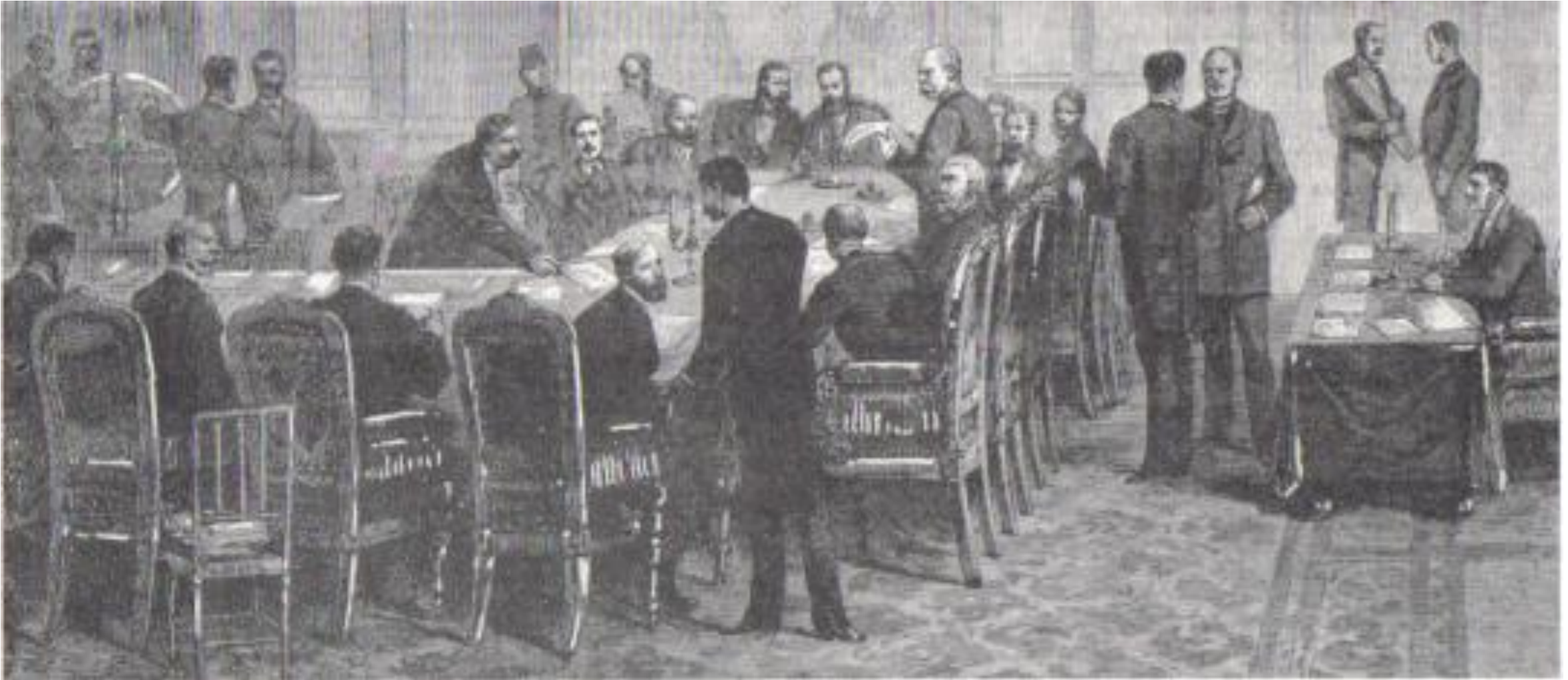
Unlike earlier stages of colonialism, sub-Saharan African colonialism would have more of a geo-strategic motive than an economic one

"Our policy may for the present chiefly assume a negative character. So long as we keep other European nations out, we need not be in a hurry to go in."

- British Vice Consul of the Oil Rivers Protectorate (Nigeria)

Formal colonialism would last less than a century

African Independence

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What were the consequence of colonization?
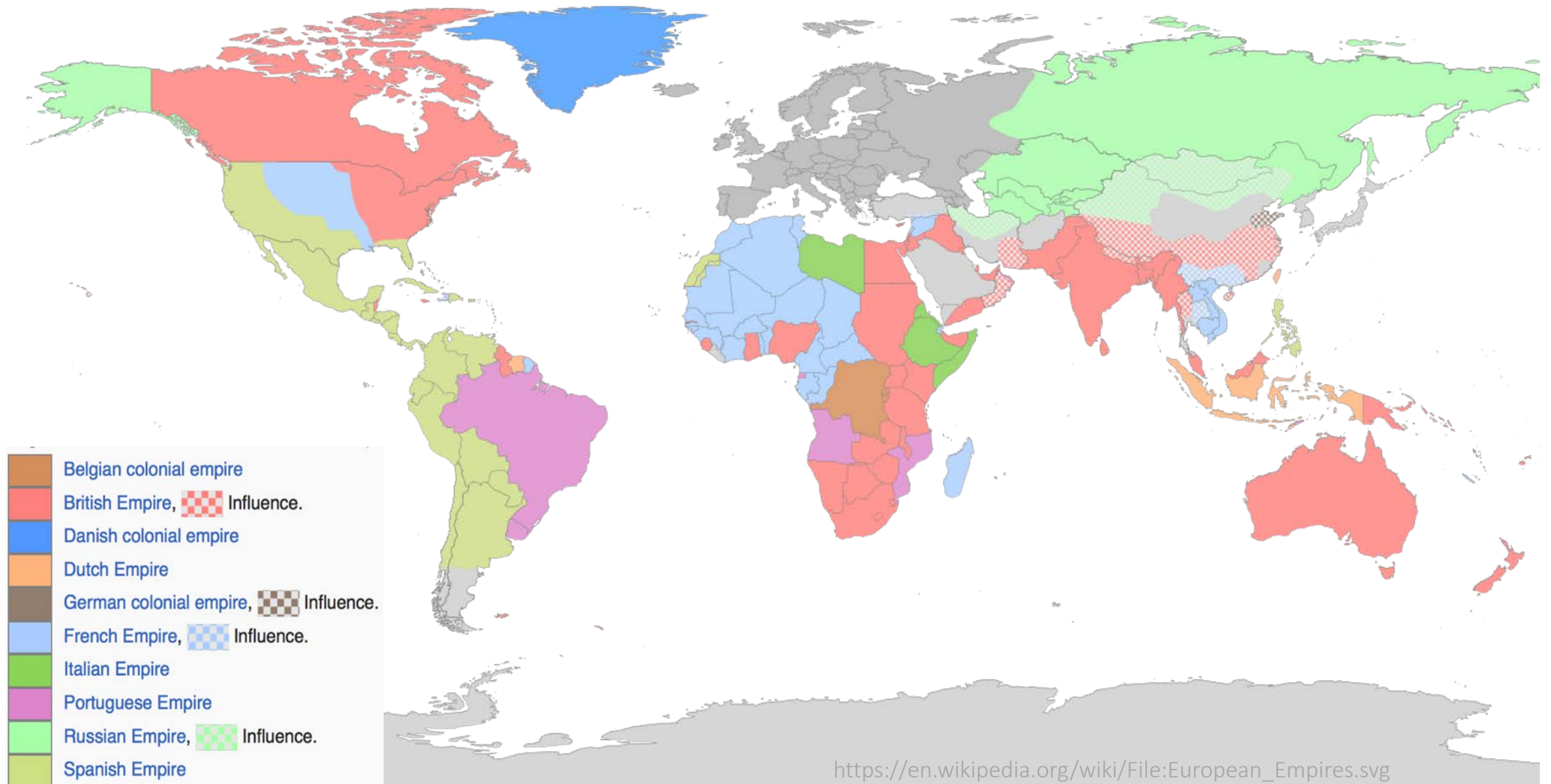
Legend:
- Belgian colonial empire
- British Empire, Influence.
- Danish colonial empire
- Dutch Empire
- German colonial empire, Influence.
- French Empire, Influence.
- Italian Empire
- Portuguese Empire
- Russian Empire, Influence.
- Spanish Empire

https://en.wikipedia.org/wiki/File:European_Empires.svg

How globalization and Western imperialism shaped order and institutions in late developing states

1. Trade and globalization disrupted traditional orders

2. The mixed effects of Colonialism
   a) Increased state organization and public investment
   b) But promoted highly centralized power
   c) Over frequently arbitrary and hard-to-govern territories
   d) And departed abruptly

3. Cold War politics insulated rulers from the rule of law and accountability

4. Introduced promising yet problematic development ideologies

2(a) While access to public services varied, the colonial state increased health and education provision on average

Teachers per 100,000 inhabitants, French West Africa 1910-1928
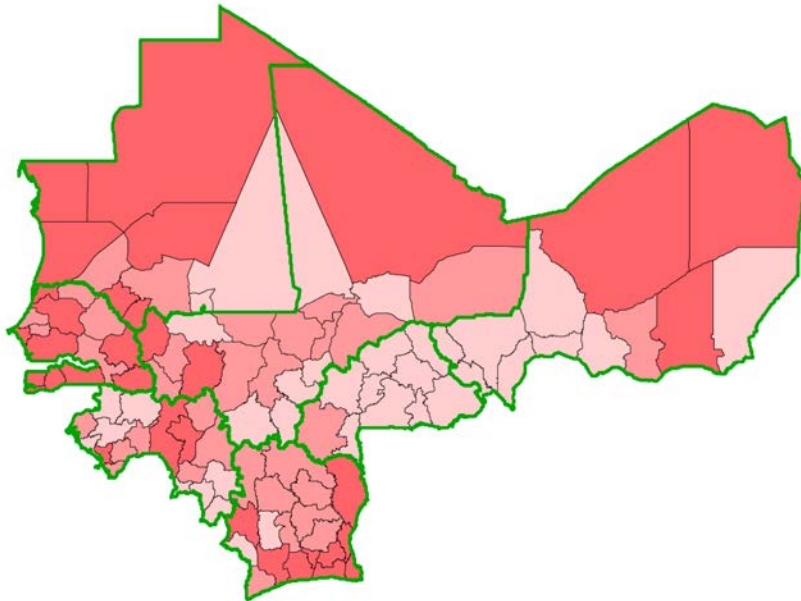
Medical staff per 100,000 inhabitants, French West Africa 1910-1928
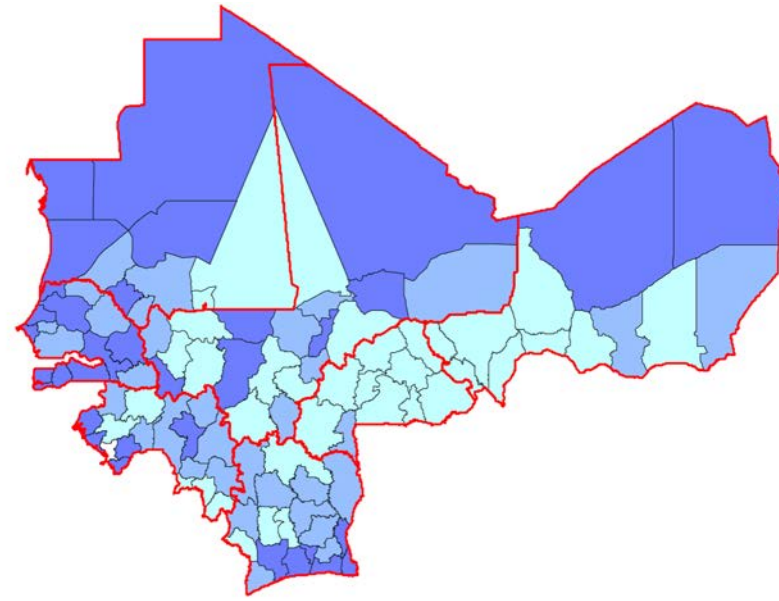
Huillery, Elise. "History Matters: The Long-Term Impact of Colonial Public Investments in French West Africa." American Economic Journal: Applied Economics 1, no. 2 (2009): 176–215.

2(a) Colonial administrations formalized bureaucratic structures and tax capacity (Huillery)

- In French West Africa, France established a broad system of local taxation to deliver local services and public goods
  - 60% of revenues from head tax, 40% from trade & property tax
  - Local budgets cover all non-military expenses, including public works and health/education
  - District spending on infrastructure, health and education in districts was 25% of colonies' budgets

- Like most states, this one was coercive and extractive
  - After Independence, the French handed these coercive bureaucratic and tax structures down to largely despotic regimes

- Nonetheless, this brought a previously unknown level of state development and integration

These investments appear to have persistent effects on levels of development and access to services today
Comparing neighboring districts with similar characteristics

Access to a primary school in 1995

- % of households living within 30mn from a primary school in 1995
- Fitted values

beta - val = 0.02 sd = 0.007 N = 52 R - squared = 0.15

X-axis: Number of teachers over 1910 - 1928 per 100 000 hbt
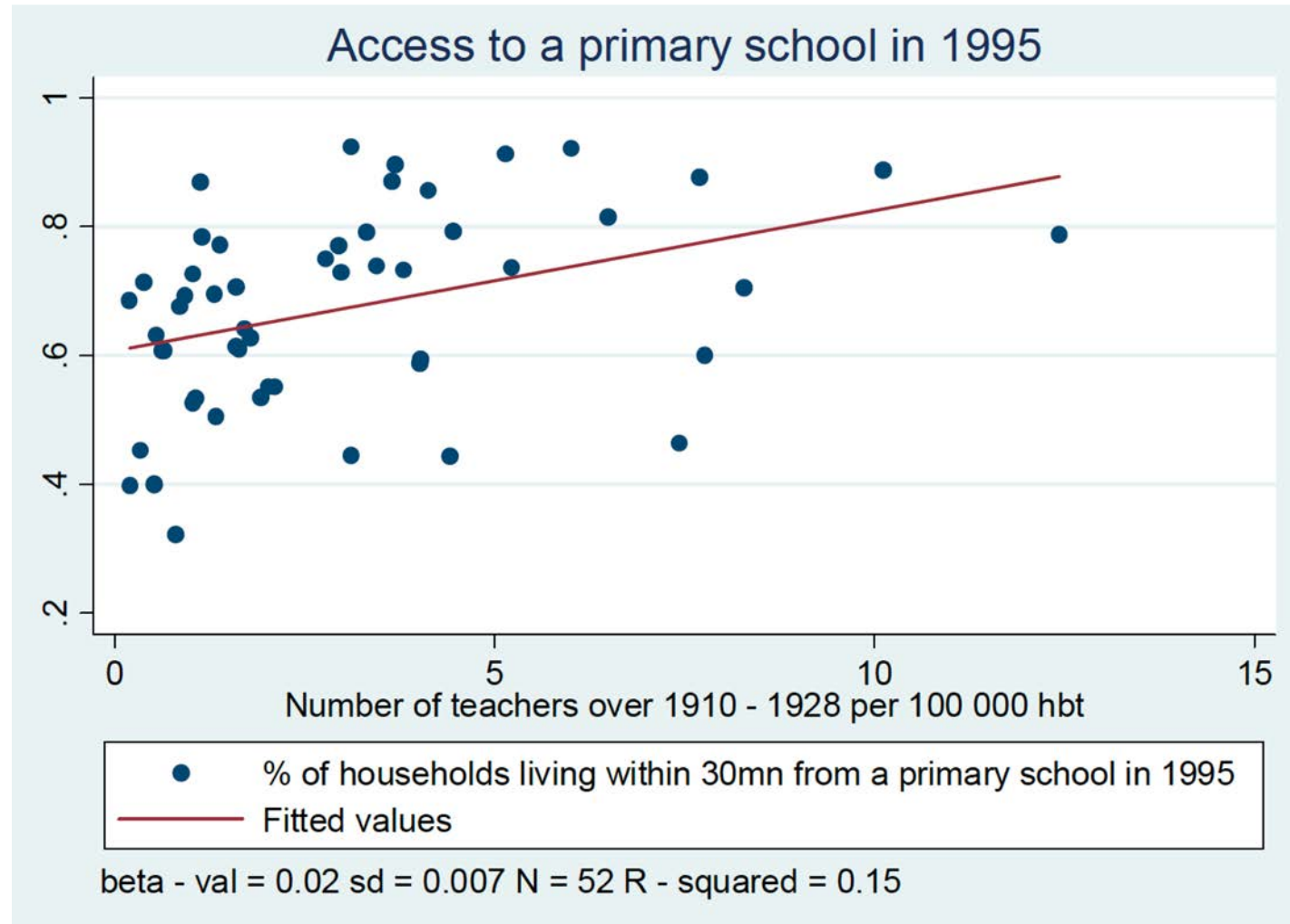
Huillery, Elise. "History Matters: The Long-Term Impact of Colonial Public Investments in French West Africa." AEJ Applied Economics 1, no. 2 (2009): 176–215.

Infrastructure also had huge, persistent effects: e.g. Railroad construction

- British Raj built a 67,247 km long railroad network

- Dramatically reduced the costs of trading

- Raised contemporary real incomes by 16%
  - Undoubtedly continued to raise incomes after Independence

- Transport also enabled political control
  - By the Raj
  - But later a national democratic government

Evolution of India's railroad network, 1860-1930

David Donaldson, Railroads of the Raj: Estimating the Impact of Transportation Infrastructure American Economic Review, forthcoming.
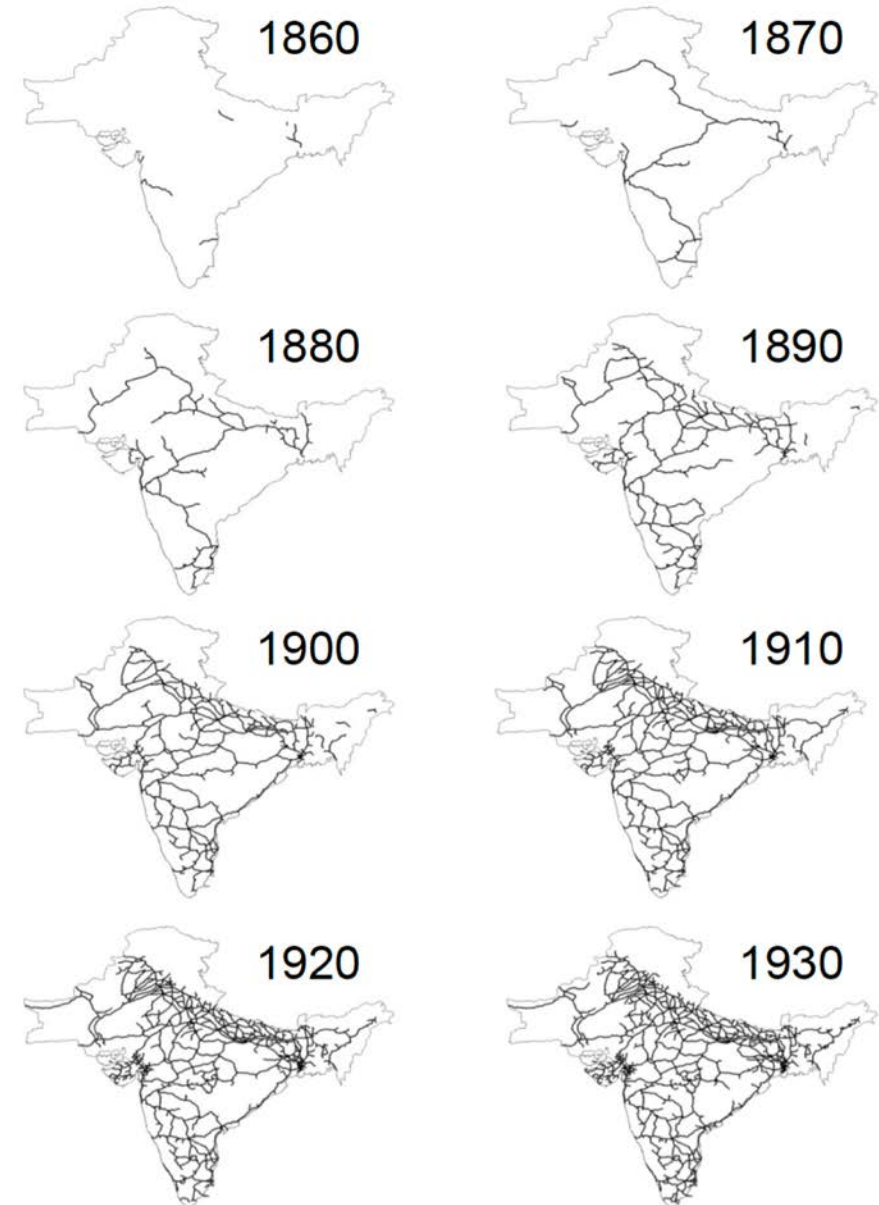
2(b): Colonialism and despotism

Democracy is not for Africa. There was only one African chief and [so] here in Zaire we must make unity.
- Mobutu, WSJ, 14 Oct 1985
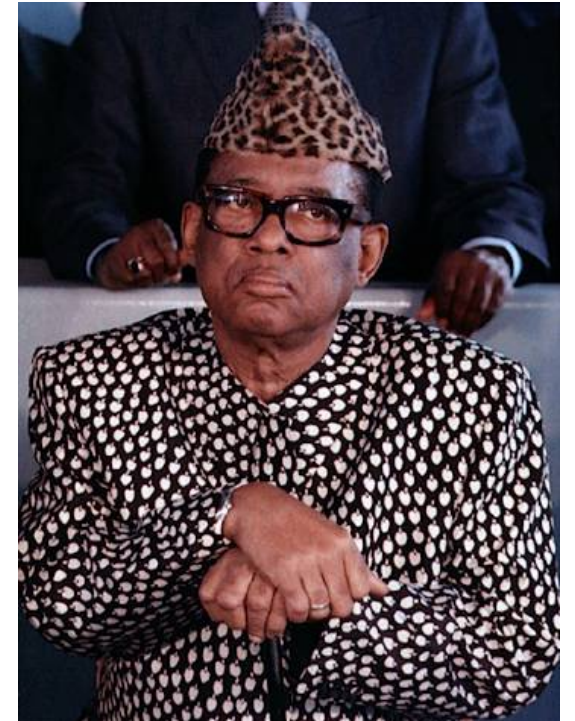
There is no number two, three or four... In Cote d'Ivoire there is only a number one: that's me and I don't share my decisions.
- Houphouet-Boigny, WA, 8 Aug 1988

Traditional rule in Africa was not necessarily hereditary, despotic or male

Ashanti chief in Ghana

In fact, tribal governance was highly diverse, and sometimes highly participatory and constraining

"The election of chiefs follows a pattern. The senior female of the chiefly lineage nominates from eligible males. This senior female then consults the elders, male and female, of that line. The final candidate is then selected.

That nomination is then sent to a council of elders, who represent other lineages in the town or district. The Elders then present the nomination to the assembled people.

If they disprove of the nominee, the process begins again. Chosen, the new chief is enstooled by the Elders, who admonish him with expectations."

http://www.nathanielturner.com/ashantiempire.htm

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How did colonialization affect politics?

Mahmood Mamdani and "Decentralized despotism"
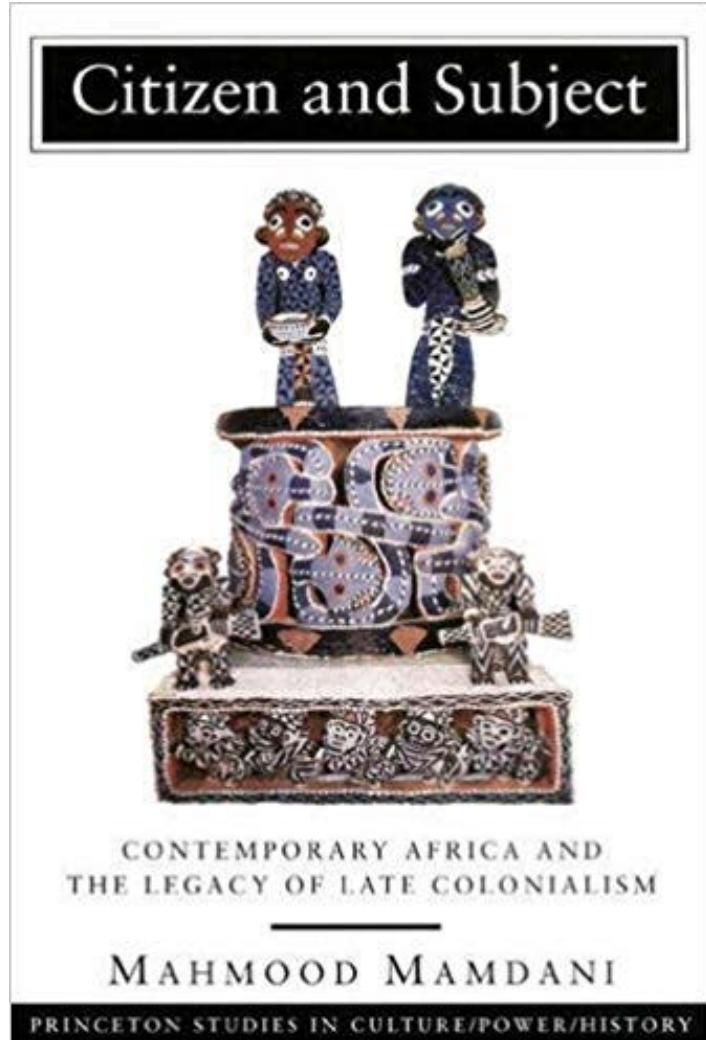
Nonetheless, colonial authorities found it convenient to organize peoples into ethnic/tribal groups and empower the nearest thing to a leader

- One argument given was that this was an enlightened and deferential recognition of native culture and self rule

- Perhaps more importantly, a single consistent style of authoritarian rule was simpler, cheaper, and effective

- Thus the colonial power repeated the process that states do in every society, whether at home or in the colonies: they reordered societies to make them more legible and easier to control
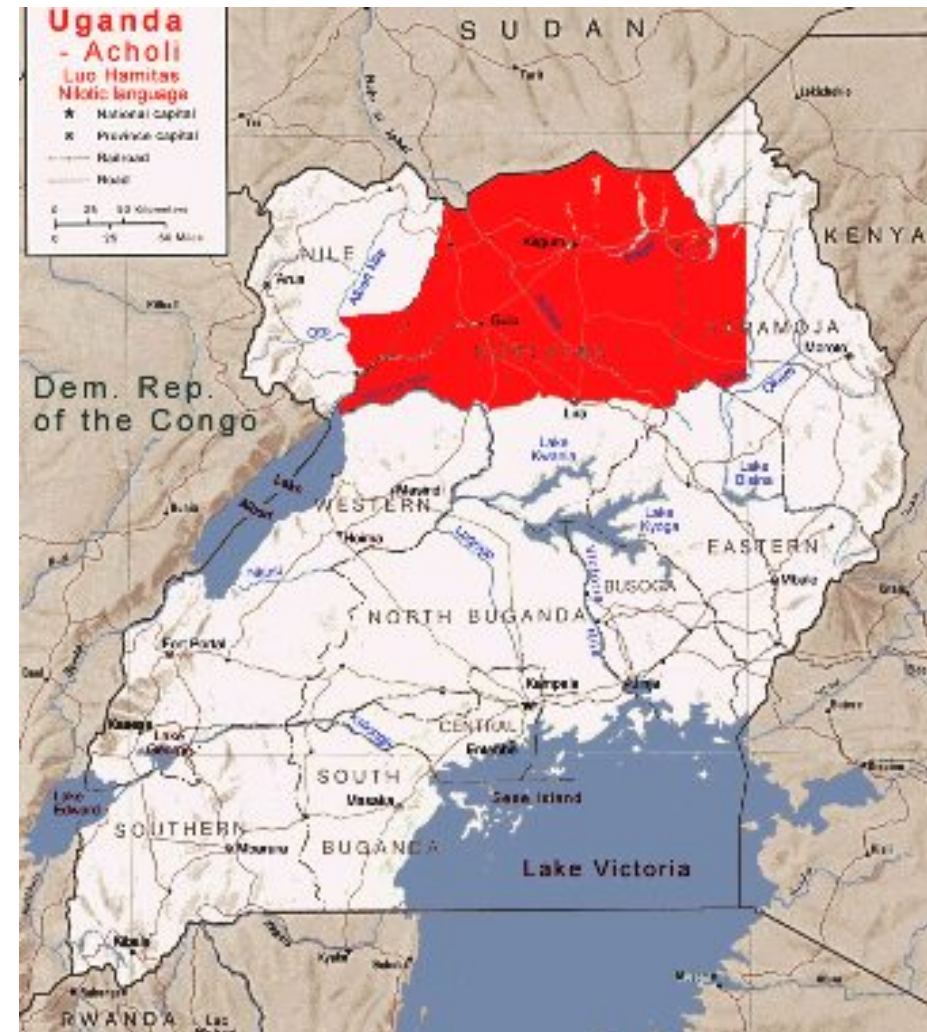
Mahmood Mamdani on "Decentralized despotism": Ethnic rule reinforced ethnic institutions of control

Need for a cheap and 'politically correct' means to colonize ➡ Ethnic rule ➡ "Decentralized despotism" ➡ Centralized despotism ➡ Current economic performance

Mahmood Mamdani on "Decentralized despotism": Ethnic rule reinforced ethnic institutions of control

Need for a cheap and 'politically correct' means to colonize ➡️ Ethnic rule ➡️ "Decentralized despotism" ➡️ Centralized despotism ➡️ Current economic performance

- Ethnic rule
- Creation of a "Native Authority"
- Appointed
- Invented chiefs where they did not exist

- Ability to tax, force labor
- Fortified from external threats
- Accountable only to colonial authorities above

- New national governments took on colonial role
- Appointed local leaders
- Command state

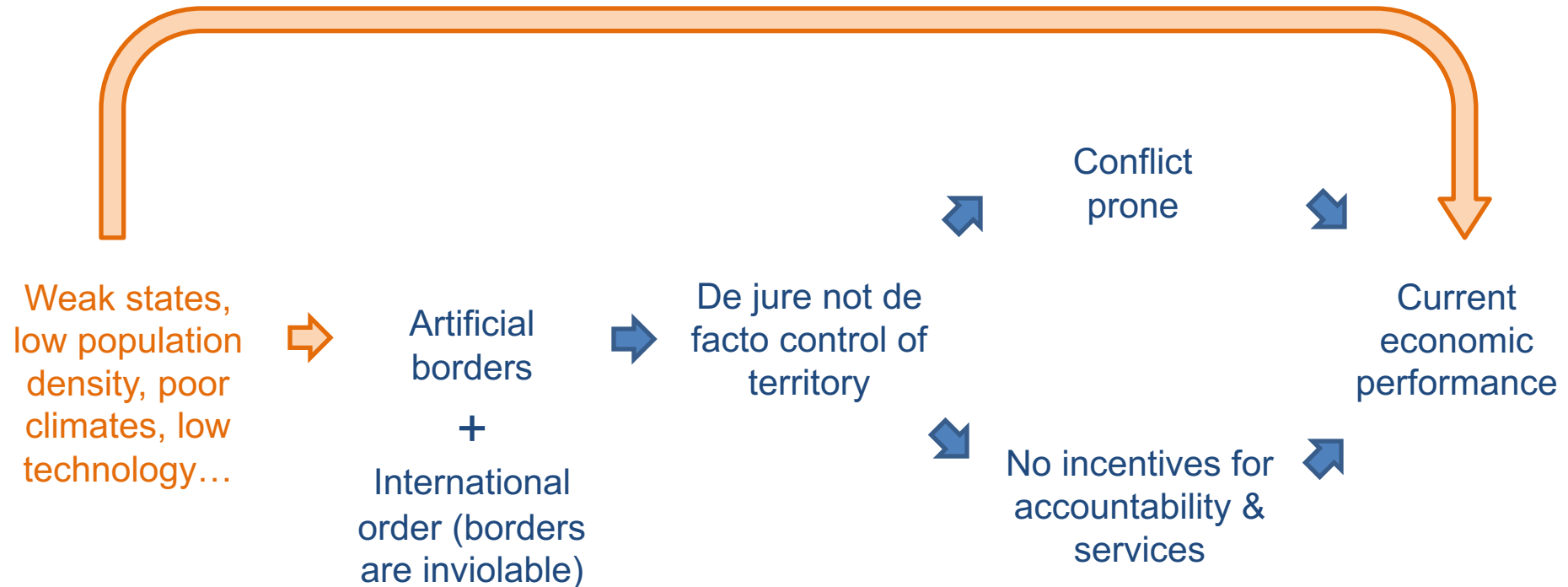What are some counter-arguments?

2(c) Arbitrary, artificial states

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

- Political borders do not coincide with the division c nationalities desired by the people on the ground
  - Gave territories to one group ignoring claims of others
  - Drew boundaries lines splitting "nations" (ethnic/linguisti groups) into different countries, frustrating national ambitions of some groups
  - Combined independent groups into one country

- 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

Sudan
Fractal dimension of political boundary = 1.0245

Alesina, Alberto, William Easterly, and Janina Matuszeski. 2006 "Artificial States." *NBER Working Paper No. 12328.*

What's the impact of "Artificial borders"?
(though be careful: correlation doesn't imply causation)

Weak states, low population density, poor climates, low technology…

Artificial borders + International order (borders are inviolable)

De jure not de facto control of territory

Conflict prone

No incentives for accountability & services

Current economic performance

Alesina, Alberto, William Easterly, and Janina Matuszeski. 2006 "Artificial States." *NBER Working Paper No. 12328.*

Jeffrey Herbst: Some arbitrary borders are worse than others
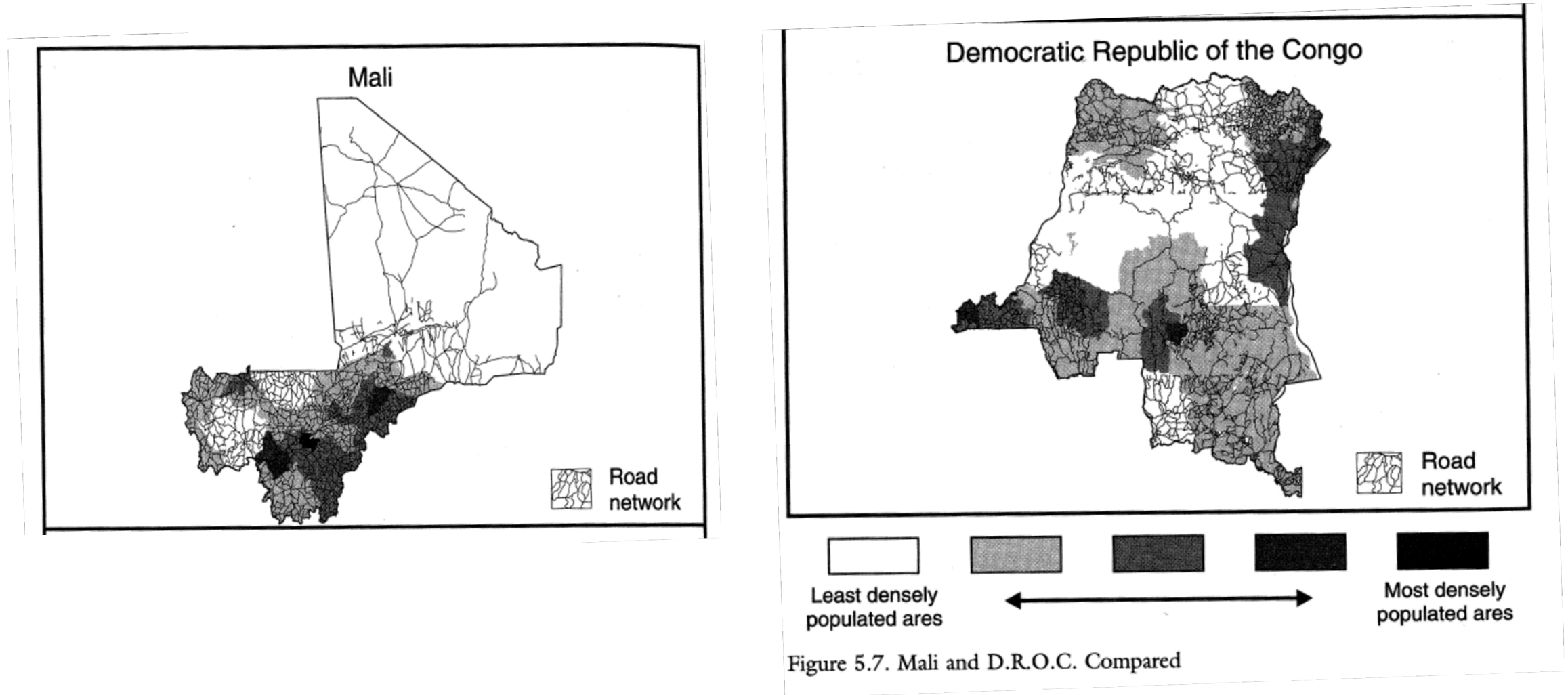
Figure 5.7. Mali and D.R.O.C. Compared

2(d) Abrupt departures

African Independence

Year	
-1799	
1800-09	
1810-20	
1821	
1822-29	
1830-99	
1900-59	
1960-69	
1970-79	
1980+	

Colonies were commonly viewed as a burden in Europe
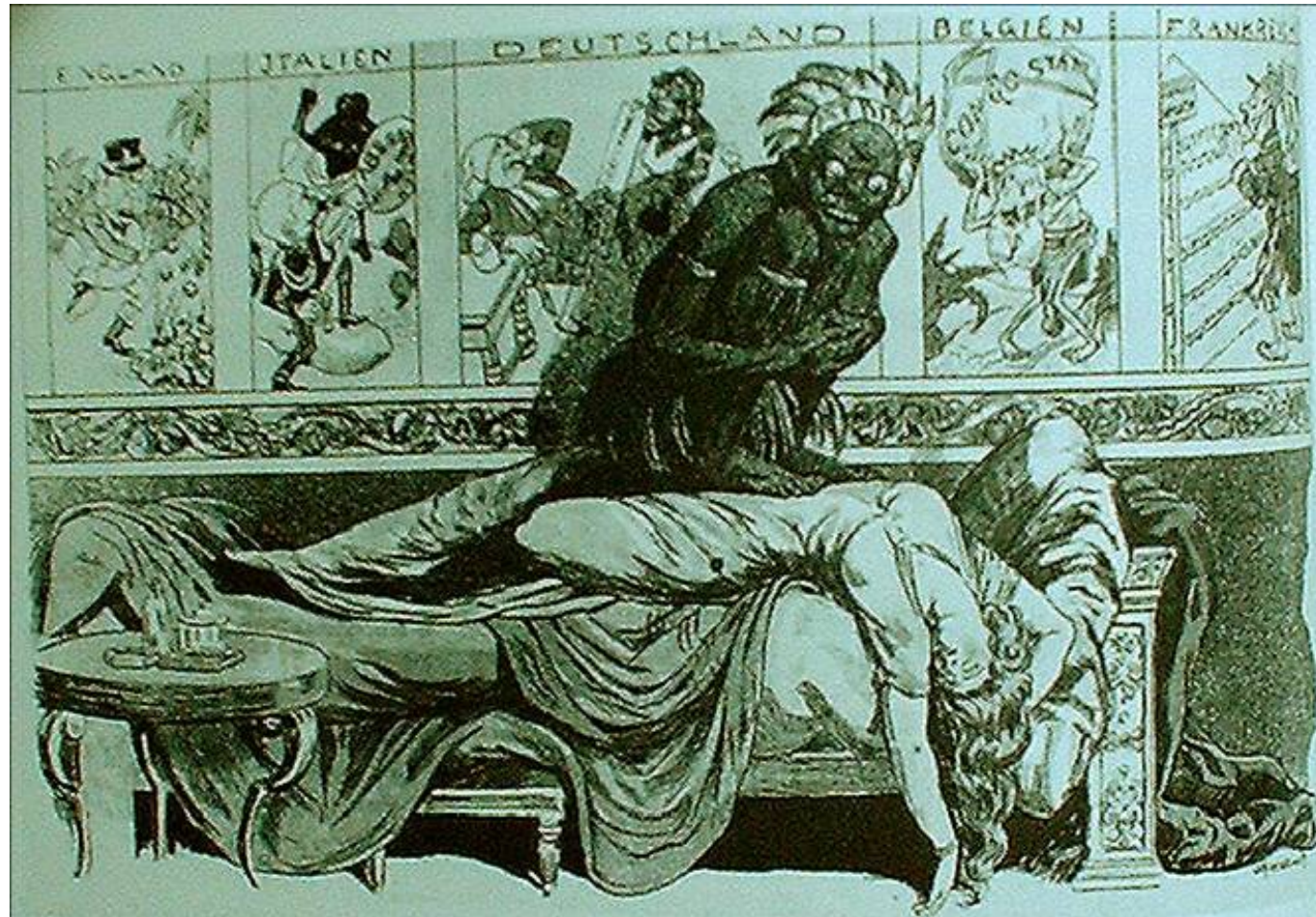
Like a succubus Africa weighs on Europe's rest. One of the numerous malaises (but perhaps the heaviest) which now burden the old continent. Each European power has here its obstacle...

—Le Rire (18.iv.1896)

Rather than repress domestic Independence movements, the British and French made a hasty exit

- In 1950s, envisioned a slow transition to self-rule over decades
  - Began to install parliamentary systems

- But could not hold back tide of independence
  - Costs and risks began to exceed benefits
  - Britain and France did not have the strength to hold the empire and rebuild after WWII

- Advantages?
  - Avoided development of broad-based, militant nationalist movements
  - Allowed them to maintain good relations and avoid disorder

- Independence
  - **British:** case by case, mainly between 1957 and 1963
  - **French:** all at once in 1960 (except Guinea and Togo)
  - **Portugal and Southern Africa:** chose to fight it out

Consequences of rapid decolonization = Economic and political instability

- Had not permitted or enabled the development of enough human capital to man bureaucracies

- Only close to the end of the colonial period did they begin to staff the bureaucracies with locals

- Colonial powers made only limited public investments

- Few national traditions, symbols or consciousness

- Parliamentary systems had little history or popular legitimacy

- "Power was personalized because it was never properly institutionalized" (van de Walle)

Likewise, the end of Spanish colonialism in the Americas was abrupt

Spanish officials surrender Madrid to Napoleon. Antoine-Jean Gros, 1810

Rapid and relatively unexpected decolonization destabilized the political equilibrium

	-1799
	1800-09
	1810-20
	1821
	1822-29
	1830-99
	1900-59
	1960-69
	1970-79
	1980+

- Nations fought to establish international borders

- Elites competed to capture the new republics, often violently
  - Conservatives fought to preserve their colonial limited-access privileges
  - Liberals sought to commercialize, free markets somewhat, and extend some equality

- Weak societies excluded from power
  - Nominal democracies with limited voting rights, no secret ballot