

Prosperity and Violence

Political Science 225
North Dakota State University

Economic Development

- Capital
 - Various forms of investment
 - Land, factories, equipment, etc
 - Infrastructure
 - Education and skills
 - Research & development
 - Key to growth/development
 - Can't produce much without capital
 - Spans time
 - Pay for it up front, recoup later
 - Involves risk
- Organization/Institutions
 - Structures actors' incentives
 - Advances or retard capital development
 - Can create (dis)economies of scale

Agrarian Societies

- Kinship Politics
 - Families are the key organization unit
 - Migration
 - Expansion becomes necessary as farmlands max out
 - Families stake their children
 - Markets
 - Migration leads to diversity, specialization
 - Trade over space and time
 - Risk
 - Agrarian societies encourage extreme risk aversion
 - Must self-insure
 - Little specialization
 - Diversify rather than focus on “cash” crops
- Violence
 - Privately supplied by families
 - Must provide credible deterrent
 - Feuds

Historical State Formation

- Urbanization and the rise of landed elites
 - Increased trade
 - Retainers
 - Monarchs
- Paying for war
 - Predation
 - Requires a lot of force
 - Low rate of return
 - Mercantilism
 - Tariffs on finished goods
 - Limit export of primary goods
 - Empowerment
 - Devolution of political power
 - Guilds
- Reducing internal conflict
 - Rule of law and monopoly on violence
 - Co-opting elites

Bates' Argument as a Social Science Theory

- Independent variable: need to conduct war
- Dependent variable: level of development
- Causal mechanism:
 - Leaders who face the threat of violent conquest need a lot of cash
 - It is impossible to stay militarily competitive without institutions that encourage investment in capital
 - Secure property rights, rule of law, and representative government help insure investors
 - Leaders who face little external competition can survive on extractive policies

Modern State Formation

- Import substituting industrialization (ISI)
 - Tariffs on finished goods
 - Limit export of primary goods
 - Pretty much just like mercantilism
- Targeted privilege
 - Redistribution from periphery to center
 - Monopoly rights
 - A lot like how monarchs bought off landed elites
- International context
 - Early modern states emerged in anarchic system
 - Monarchs needed funds to fight wars
 - Wars were expensive and required development
 - Monarchs were forced to develop institutions favoring growth
 - Modern developing states emerged in Cold War era
 - World powers tried to minimize conflict in the 3rd world
 - Inefficient states were not conquered
 - Modern leaders didn't need effective institutions