

## **Political development and its causes**

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A comparison of new ideas on an age-old problem

Bachelorarbeit

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#### **Abstract:**

This thesis summarises and compares the three theories of political development formulated by North et al. (2009), Fukuyama (2011,2014), and Acemoglu/Robinson (2012) respectively, asking the question: "Which conditions do the different authors identify as necessary for political development, and in which ways do these conditions differ?" To answer this question, a comprehensive analysis of the different frameworks' structure and content is conducted. The thesis concludes by summarising the identified conditions into three categories: Regarding *institutional conditions*, the different authors (in the tradition of modernisation theory and Fukuyama's "End of History"-hypothesis) largely agree with each other. However, when it comes to *social conditions* they diverge to antithetical positions. Also, they assume different *motivational conditions* at the basis of development.

## Politische Entwicklung und ihre Ursachen

### Ein Vergleich neuer Ideen zu einem uralten Problem

#### **Zusammenfassung:**

Diese Bachelorarbeit erläutert und vergleicht die drei Entwicklungstheorien die von North et al. (2009), Fukuyama (2011,2014) und Acemoglu/Robinson (2012) formuliert wurden, angeleitet von der Frage: „welche Bedingungen identifizieren die unterschiedlichen Autoren als notwendig für politische Entwicklung und inwiefern unterscheiden diese Bedingungen sich?“ Um diese Frage zu beantworten ist eine umfangreiche Analyse von Struktur und Inhalt der unterschiedlichen Theorien nötig. Die Arbeit kommt zu dem Ergebnis, dass die identifizierten Bedingungen in drei Kategorien zusammengefasst werden können: Bezüglich *institutioneller Bedingungen* sind sich die unterschiedlichen Autoren (in der Tradition von Modernisierungstheorie und Fukuyamas „End of History“-These) weitestgehend einig. Was allerdings *soziale Bedingungen* angeht tendieren sie zu antithetischen Positionen. Zudem setzen sie unterschiedliche *Motivationsbedingungen* als Grundlagen der Entwicklung voraus.

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# 1 Introduction

The problem of political development and its origins has been one of the central questions of European philosophy from its very onset. Plato, in Book 8 of the *Republic*, discusses political development – or in his view political degeneration – through different types of government. He also offers a reason for this decline: each form of government psychologically influences its individual citizens so that they are incentivized to develop towards the next, lower, type of political order, eventually ending up in a tyranny (*Politeia* 543a-592). Plato's vision of an ideal political system that escapes this pattern is one where rule is conceded to a philosopher-king which from a modern perspective resembles more the dystopias of Huxley and Orwell than any desirable political solution. Plato's disciple Aristotle has a more pleasant idea of what constitutes a superior political system. The rulers must rule in the pursuit of common good, instead of their own benefit (*Politika* 1278b). A development goal, political scientists might term this today, albeit a rather vague one.

But while both Aristotle and Plato played an undeniably important role in western and middle eastern philosophy and later in political science, neither they nor other ancient Greek or mediaeval Christian philosophers were able to provide a satisfying theory of political development. Thus, in the early modern age, both philosophers and scholars of incipient political science were still searching for broad, long-term patterns in the development of political systems. Hegel viewed history as the process of educating humankind towards freedom (Hegel 2005: p. 38), while for Karl Marx, the violent accumulation of capital was history's driving force (Marx 1890: pp.683-685).

After the two world wars, several (mostly US-American) political scientists again had new ideas about political development. They called it modernisation and saw it as a multifaceted process of convergence, where all facets of modernisation supported each other. However, their work was frequently disputed for being more ideology than theory, which undermined its reputation (Berger 1996: pp.46-47). This criticism, together with Samuel P. Huntington's critique of their assumption "that all good things go together" (Huntington 1968: pp.5-6), brought a temporary end to modernisation theory. The by that point millennia old knowledge gap on political development remained open.

Some years later, the fall of the Soviet Union unexpectedly reinvigorated the idea behind modernisation theory. It appeared to some that according to Hegel's definition of history as a liberation process the "end of history" was drawing near and that modernisation theorists were right after all, if only in identifying western political systems as the end point of political development. This massively controversial idea, advanced by Francis Fukuyama (1989, 1992) and digested by the scientific community for several years, became the foundation of a new set of ideas by different scholars of political science and institutional economy.

These ideas, which are the subject of this thesis, were formulated by three groups of authors: Douglas C. North, John J. Wallis, and Barry R. Weingast in *Violence and Social Order* (2009); Francis Fukuyama in *The Origins of Political Order* (2011) and *Political Order and Political Decay* (2014); and Daron Acemoglu and James A. Robinson in *Why Nations Fail* (2012).

In their 2009 book, North, Wallis, and Weingast view political development from the perspective of institutional economics, and suggest that all political orders are designed to control violence. “Undeveloped” societies must *limit access* to institutions to control violence, while “developed” societies can *open access* to institutions because they have a consolidated monopoly on violence.

For Fukuyama, political development happens in three different dimensions of political institutions: the *state*, the *rule of law*, and *accountable government*. These political features originated independently in different world regions, and they are just as likely to develop as they are to decay.

Acemoglu and Robinson view political development as a struggle between common people and ruling elites: the people must enforce the implementation of *inclusive institutions* while the elites generally prefer *extractive institutions* that let them exploit people and countryside for rents (in the sense of neoclassical economics).

While these three groups of authors have some very different ideas about political development, they all implicitly agree that the goal of political development should be a western model of liberal democracy – “the end of history”, as Fukuyama (1989) called it. This agreement is what makes them comparable and makes a comparison of their views interesting. They may all agree on where development should be headed, but do they also agree on what developing countries should do to get to that place? More precisely, in comparing the three theories, this thesis paper seeks to answer the question: which conditions do the different authors identify as necessary for political development, and in which ways do these conditions differ? To do so, a comprehensive analysis of their content and structure is necessary.

After this introduction’s broad overview of the three theories and their historical background, chapter 2 defines more precisely the object of comparison, specifying the bodies of work that constitute it (2.1) and explaining the remarkably similar argumentative structure shared by all three theories (2.2). Chapter 3 compares how the theories regard elementary states of nature and conceptions of humanity, pointing out both where they overlap and where they differ. Chapter 4 treats the status before (4.1) and after (4.2) political development, which are highly consistent throughout all three theories. Chapter 5 compares the process of development described by North, Wallis, and Weingast (5.1), Fukuyama (5.2), and Acemoglu and Robinson (5.3), where substantial differences are found, especially in the social and motivational structure: who supports or opposes development and why? Chapter 6 summarises the identified differences and similarities regarding development conditions. In doing so, the

conditions are divided into institutional (6.1), social (6.2), and motivational conditions (6.3). Chapter 7 concludes by considering the long-term viability of theoretical frameworks for development that are based on the idea of an “end of history”.

## 2. The object of comparison

The first step in comparing the new theories of political development is to define the bodies of work that constitute them. All of the discussed authors except Fukuyama formed their ideas through a number of texts and papers published over the course of several years before they finalised and presented them in a single volume. Although the evolution of Fukuyama's ideas on political development can be traced through his works leading up to *The Origins of Political Order* (2011), his argument is based less on prior empirical or theoretical research of his own and more on already well-established theories and models of other scholars, such as Max Weber, the anthropologist Elman Service, and Fukuyama's mentor, Samuel P. Huntington. Section 2.1 traces the genesis of the three development theories with the goal of limiting the scope of the literature needed to understand them.

Despite the authors' different perspectives and origins, the common phenomenon they are analysing leads their theories to have a similar argumentative structure. This similarity, which originates primarily from the conventional use of the word "development", is further explained in section 2.2. Importantly, it also forms the basis for comparing the three theories in chapters 3-5.

### 2.1 Fundamental texts and papers

Douglas North, John Wallis, and Barry Weingast, the three authors of *Violence and Social Order* (2009), share a background in new institutional economics, a field of research that aims to understand the influence of political and social institutions on economics. Wallis and Weingast's online biographies attest to this background (University of Maryland Department of Economics, no date; Stanford University Department of Political Science, no date) while North won a Nobel Memorial Prize in Economic Sciences "for having renewed research in economic history by applying economic theory and quantitative [sic] methods in order to explain economic and institutional change" (Royal Swedish Academy of Sciences, 1993). Their theory's framework of limited vs. open access can be seen as a product of this tradition of research, since the influence of institutions and organisations on economies (i.e., the limiting or opening of access) constitutes its central argument.

With *Violence and Social Orders*, the three authors were the first to finalise their theory in a single volume. However, the theory was essentially formulated already in their 2006 paper "A Conceptual Framework for Interpreting Recorded Human History", and their 2007 paper "Limited Access Orders in the Developing World" already discussed "how the framework suggests new approaches to the development problem and to the question of why standard development advice often fails to achieve development" (North et al., 2007: p. 6).

A few notable adjustments to their theory occurred between these two texts and *Violence and Social Order*. First, the authors stopped referring to it as a theory. The abstract for the first paper refers to “an integrated theory of economics and politics” (North et al. 2006: p.2) and the second paper still talks of a “theory of limited and open access orders as a way to understand the variation among countries or societies” (North et al. 2007 p.34), but *Violence and Social Orders* states that it aims to “develop a conceptual framework, not a formal or analytical theory” (North et al. 2009: p.xviii).

Second, the authors’ conception of what existed “before the state” (Fukuyama 2011: p.1) evolved. Initially, they proposed a “primitive social order” as the point of origin for the construction of the natural state (i.e., the limited access order), which was to be “made up of many small social units, with very little specialization and division of labor”, while also experiencing high levels of violence (North et al. 2006: p.28). In their later publications, they first reduced this characterization of the primitive social order to hunter-gatherer societies (2007: p.3) and then renamed it accordingly to “foraging order” (2009: p.2).

The third and most significant evolution of their framework occurred when they distinguished between three kinds of limited access orders: fragile, basic, and mature (2007: p.11). Once introduced, these categories remained and were discussed in depth in their book (North et al. 2009: pp.41-75).

The evolution of Francis Fukuyama’s ideas on political order is not as well documented as that of the previous authors. However, there are some noteworthy influences on his work on political development. Among his earlier publications, two stand out as important in this regard. The first is Fukuyama’s “end of history” hypothesis (see Fukuyama 1989, 1992), which he formulated during the collapse of the Soviet Union. It forms the basis not only for the ideas formulated in his two volumes on political order (2011, 2014) but also for the new theories of political development in general. When modernisation theory went out of fashion, there was no consensus about which type of political order might be superior – in other words, there was no clear development goal. Shortly before Fukuyama published his first essay on the “end of history” in 1989, the prominent and widely used university textbook for economics by Nobel Prize-winner Paul Samuelson supported the idea that the Soviet economic model was likely more effective in the long run than that of the United States. Levy and Peart note that Samuelson’s prediction was only possible because the textbook “assumed away the rent-seeking, the de facto barter system, and the disguised unemployment that characterized the Soviet economy” (2011: p.124). In *Political Order in Changing Societies*, Samuel P. Huntington operates under a similar assumption: “Communist totalitarian states and Western liberal states both belong generally in the category of effective rather than debile political systems” (1968: p.1).

Fukuyama, on the other hand, had a controversially clear idea about the goal of political development: “the end point of mankind's ideological evolution and the universalization of Western liberal democracy as the final form of human government” (1989: p.4) which he defended with Hegel's philosophy of history in his essay and later book on the “end of history” (Fukuyama 1989,1992). This much-discussed work of political philosophy did of course anything but create consensus on the definitive ranking of political systems. Nevertheless, it is exemplary for a newly invigorated perception of “western” democracies as normatively and functionally superior, that runs as a common thread through all the theories of political development discussed in this thesis.

With his 1995 book *Trust: The Social Virtues and the Creation of Prosperity*, Fukuyama ventured into the field of institutional economics in order to discuss the influence that trust has as a social institution on economic and political development. He concluded that trust is vital for both:

A healthy capitalist economy is one in which there will be sufficient social capital in the underlying society to permit businesses, corporations, networks, and the like to be self-organizing. [...] That self-organizing proclivity is exactly what is necessary to make democratic political institutions work as well. [...] [N]o such system can come into being on the basis of a mass of unorganized, isolated individuals, able to make their own views and preferences known only at election time. (1995: pp.356-357)

A lack of trust makes both political and economic development more unlikely by inhibiting the creation of larger and more complex organisations. Fukuyama later folded this idea of trust into his theory of development under the term “low trust society” (Fukuyama 2014: pp. 94-125; esp. p.99), and North et al. used it as a basis for defining the key role that organisations play in their framework (2009: p.7).

The one principal influence on Fukuyama that he points to himself is Samuel P. Huntington, whom Fukuyama describes as his “mentor” (2011: p. xi). Some parallels can be found between their respective works on “political order”. In his *Origins of Political Order*, Fukuyama employs Huntington's “Criteria of Political Institutionalization” (Huntington 1968: pp.11-24; Fukuyama 2011: pp.450-451). Both focus to some degree on the executive dimension of political development, and as a result agree that there are some advantages to an “authoritarian transition” (Fukuyama 2011: p.459). Fukuyama also agrees with Huntington's two arguments that directly challenged the assumptions of modernisation theory (Fukuyama 2006: p.xii) – namely, the notions that political development and political decay are equally probable and that “the good things of modernity did not necessarily go together” (Fukuyama 2011: p.139, 459).

But aside from these commonalities in their thinking, Huntington's ideas are mostly not integrated into Fukuyama's work, as can be seen by the fact that some key concepts of *Political*

*Order in Changing Societies*, such as “social frustration” or “praetorianism” (Huntington 1968: p.55, pp.192-195), make no appearance in Fukuyama’s two volumes.

The same cannot be said for other scholars. There are two significant elements of Fukuyama’s theory that he essentially outsourced by integrating older, well-established theories. First, the taxonomy of bands, tribes, chiefdoms, and states formulated by anthropologist Elman Service (1962) supplies the stages of development before the advent of political order and can even be neatly explained by the biologically determined “natural characteristics” Fukuyama proposes as “the basis for the evolution of increasingly complex forms of social organization” (Fukuyama 2011: p.43). Second, the state, which is one of Fukuyama’s three dimensions of political development, can be (and is) equated to the state as defined by Max Weber (Fukuyama 2011: p.450). More precisely, Fukuyama refers to Weber’s definition of “Legale[r] Herrschaft mittels bürokratischen Verwaltungsstabs” (Weber 2005, p.162-164).

Much like North and his colleagues, Acemoglu and Robinson have a longer history of research in the field of political development. However, unlike North et al.’s *Violence and Social Orders*, their book, *Why Nations Fail*, is written for a popular audience. Therefore, their earlier work can help clarify the ideas they present in it.

Acemoglu and Robinson themselves refer to the article “The Colonial Origins of Comparative Development” (Acemoglu et al. 2001) as the origin of their concept of “extractive institutions” (Acemoglu/Robinson 2012: p. 468). However, that term was defined in the article more restrictively as a phenomenon of European colonialism (Acemoglu et al. 2001: p.1370), and there are otherwise not many commonalities between the two works. More essential elements of their concept of political development can be found in two other papers. The phenomenon whereby “the poor are excluded from political power, but pose a revolutionary threat”, and the “rich (elite) will try to prevent revolution by making concessions to the poor” – is discussed in their article “A Theory of Political Transitions” (Acemoglu/Robinson 2001: pp.938-939). Although this idea constitutes a major part of the process of political development outlined in *Why Nations Fail*, it is illustrated less fully in the book than in the earlier article. The same is true for the mechanisms by which political institutions influence economic development, which are explored more deeply in Acemoglu et al.’s article “Institutions as a Fundamental Cause of Long-Run Growth” (2005) than in the later book.

It is noteworthy, that in more recent publications, Acemoglu and Robinson have developed a new perspective on political development (see Acemoglu/Robinson 2019) that is not treated in this thesis for three reasons. First, unlike their framework of inclusive and extractive institutions, their new perspective was not developed contemporaneously with the other theories discussed here. Second, it does not integrate or expand their earlier framework and is instead largely independent from it while being “[a]t least [...] not entirely inconsistent” with it

(Acemoglu/Robinson 2019: p.145). And last, their new outlook is remarkably similar to Fukuyama's framework, as both distinguish between a capable state's development and the confinement of its capabilities as two separate but interdependent problems of development. According to Acemoglu and Robinson, their major difference with Fukuyama is that they do not agree with his ideas on the advantages of sequencing these developments in a process of authoritarian modernisation (Acemoglu/Robinson 2019: p.499).

## 2.2 The similarity of their argumentative structures

Despite the different academic backgrounds of these authors, their three theories of political development discussed here share important similarities. The most fundamental similarity is the argumentative structure they all have in common. This can be explained by the conventional use of the word "development", which, unlike many other terms in political science, is rather unambiguous.

However different their findings and opinions on political development might be, there is a pervasive consensus among these and other authors about what the word "development" implies at its most basic level. Be it in biology, music, psychology, or chess, a development constitutes a directional process of change. This entails that any subject of development has properties before developing that are clearly distinct from those it has afterwards. It follows that any theory of development must answer at least these three questions:

- I. What were the properties of the research object before its development?
- II. What are its properties after the development?
- III. What constitutes the process of development?

In music and chess, the process of development lies hidden in the brain of the composer or chess player and is much less important than the outcome, which is relatively clear and much more relevant than the process (e.g., Beethoven's variations on the "fate motif" in his Fifth Symphony or a chess grandmaster developing his knight in a King's Indian defence). By contrast, development in scientific theories is more complicated. Defining a *status quo ante* or "before" and a *status quo post* or "after" is on its own already a complicated task: e.g., child vs. adult in developmental psychology or *Australopithecus afarensis* vs. *homo sapiens* in evolutionary biology. Once these two contrasting states have been defined, analysis of the development between them might uncover further inconsistencies in the definitions, which can then undermine arguments made earlier about the nature of the development process.

The new theories of political development addressed by this thesis are largely immune to these complications. Their authors independently formulate a *status quo ante*, a *status quo post*, and a theory of the process of development; they then test their hypotheses on historical evidence

and collectively come to the conclusions that their theories stand firm. This might strike an observer with a background in natural science as unusual.

Nevertheless, the authors all understand the fundamental characteristics of development processes. The result is that each of their works involves an argumentative structure consisting of three main parts:

- I. They must define the status quo ante of political development (see e.g., North et al. 2009: pp.30-76; Fukuyama 2011 [esp. pp.49-79]; Acemoglu/Robinson 2012: pp.73-95, 335-367)
- II. They must define the status quo post of political development, i.e., the goal of development (see e.g., North et al. 2009: pp. 110-147; Fukuyama 2014 [esp. pp.23-51], 2011: pp. 14-16; Acemoglu/Robinson 2012: pp.73-95, 302-334)
- III. They can form hypotheses on how and under which conditions the process of development takes place (see e.g., North et al. 2009: 148-213; Fukuyama 2014: pp.198-213, 386-396, 399-411; Acemoglu/Robinson 2012: p.404-462)

The scattered page spans in many of the above citations hint at the fact that only North et al. closely orient their writing along the lines of this essential structure. Fukuyama instead highlights the threefold division into “dimensions of development” (2014: p.40), while Acemoglu and Robinson forego the scientific structure of multilevel chapters in *Why Nations Fail*, opting for a more popular scientific format that directly compares points I. and II. (Acemoglu/Robinson 2012: pp. 73-95) and integrates historical and contemporary examples into their analysis throughout. Despite these formal differences, all three frameworks clearly address the three elements of a development process.

North et al. add to these three elements a fourth that addresses the origins of the status quo ante. They propose a “foraging order” that existed before the “natural state” (North et al. 2009: pp.1-2). Fukuyama goes one step farther and proposes two distinct orders that predate the status quo ante of contemporary political development. His “band-level” societies resemble North et al.’s foraging order, while his “tribal-level societies” have a higher level of complexity while nevertheless not constituting a proper state (Fukuyama 2011: pp. 53-59). Acemoglu and Robinson also offer us a few remarks on what was before the status quo ante according to their framework. With these additions, the complete structure of the three theories comes into view, along with structure of this paper’s analysis below:

0. Origins and foundations of the status quo ante (see chapter **3**)
  - I. Status quo ante (see chapter 4.1)
  - II. Status quo post (see chapter 4.2)
- III. Conditions and characteristics of the development process (see chapter **5**)

### **3. States of nature and conceptions of humanity**

The three theories of political development all formulate different conceptions of humanity. Each theory proposes different universal motivations that drive humans forward, ideally toward political development. Despite these differing conceptions, the authors have similar views on the characteristics of the human way of life before the onset of what they consider a political order.

#### **North, Wallis, and Weingast**

For North et al., the state of nature that preceded the order of limited access was “a world of endemic violence” (2006: p.10). Here lies the origin of the “violence problem” that more complex social orders are designed to solve (2009: p.13). However, the pervasive violence in this state of nature should not be understood as a war of all against all, as Thomas Hobbes imagined it. Instead, it plays out mostly between “small social units, with very little specialization and division of labor” (North et al. 2006: p.28), which are commonly referred to as hunter-gatherer societies. These social units are organised on an exclusively and directly personal basis: “In foraging societies, face-to-face interaction among individuals in small groups created personal knowledge, trust (or distrust), and coordination” (2009: p.32).

In an earlier paper, the authors go as far as to suggest an “inherent affinity in human nature for building personal relationships” (2006: p.32). While the omission of such a formulation from their later work may suggest that they no longer embrace it, the affinity for personal relationships remains a necessary precondition for later processes in their framework (see 4.1 and 4.2). Overall, their description of human existence in a state of nature suggests that 1. there is a natural human propensity for violence that must be subdued and 2. the natural foundation for human social organisation lies in direct personal relationships (even though the authors refrain from stating that explicitly).

There is at least one more human characteristic implicitly assumed by their framework that is vital for the processes it describes. Namely, this would be a natural tendency toward wealth accumulation. In a limited access order, the violence problem is overcome by distributing rents to groups with “violence potential” (2009: pp.30-31). An open access order becomes attractive for elites because it allows them to prevent violence more effectively and, in doing so, provides additional opportunities for rent creation (2009: p.154). Changes toward an open access order are “consistent with the interests of members of the dominant coalition” (2009: p.150). To summarise, although the two major leaps of development, from foraging to limited access and then from limited to open access order solve the violence problem, the determining factor that allows this to happen is an implied natural propensity for wealth accumulation. In fact, in the processes of political development, elites are able both to overcome violence and to create impersonal institutions in the pursuit of rents, indicating that this third natural impulse for

accumulating wealth (at least in more complex social orders) is necessarily stronger than the human propensity for violence and for forging personal relationships. Here, North et al. come close to conceiving a human being as the “homo economicus” that is employed in neoclassical economics and game theory.

### **Francis Fukuyama**

More so than North et al., Fukuyama explicitly formulates his conception of humanity in the form of several important characteristics. First, as a result of biological evolution, “inclusive fitness, kin selection, and reciprocal altruism are default modes of sociability” (Fukuyama, 2011: p.43). These modes of socialising manifest themselves in the form of patrimonialism and repatrimonialisation, which constitute an obstacle to the development of political order (2011: p.453). Second, the development of language gave humans a “capacity for abstraction and theory” (2011: p.43) that forms the basis for religion and enhanced social cohesion (2011: pp. 36-38). Third, Fukuyama lists a “proclivity for norm following” (2011: p.43) that leads humans to invest institutions with intrinsic value even when they are no longer adequate to a changing environment – another obstacle to development or, in Fukuyama’s terms, a factor of “political decay” (2011: p.453). The fourth and last characteristic is a permanent human “struggle for recognition” in the sense of Hegel, Kojève, and Fukuyama’s interpretation of their work (see Fukuyama 1992: pp.141-208). This struggle for recognition ultimately forms the basis for the legitimacy of political orders (Fukuyama 2011: pp.41-43).

A human desire for something like rent extraction or wealth accumulation is notably missing from this list. Instead, according to Fukuyama, “economic resources are often seen more as markers of dignity rather than ends in themselves” (Fukuyama, 2011: p.42), thus being just one of many battlefields in the struggle for recognition. However, despite his radically different conception of humanity, Fukuyama’s description of the state of nature before the onset of political order is almost identical to that of North, Wallis, and Weingast (see Fukuyama 2011: p.30; North et al. 2006: p.10, 2009: p.2). Fukuyama’s agreement with North et al. does not include Elman Service’s stages of “primitive social organization”, which he uses to explain the formation of the first political entities during the Neolithic Revolution, but these stages are largely irrelevant to the discussion of contemporary political development and therefore also to this thesis.

### **Acemoglu and Robinson**

Acemoglu and Robinson begin their consideration of political development with the Neolithic Revolution and do not elaborate on what any state of nature before it could have looked like. The only notable statement they make in this regard is that more complex hierarchical institutions were already developing in hunter-gatherer societies (2012: p.141). Also, like North et al., they do not explicitly state what conception of humanity their framework relies on.

In the absence of such a clarification, that information must be inferred from the processes within the framework itself, which require two human characteristics as necessary conditions. Their framework, like that of North et al., demands to some degree a homo economicus who is willing to place the extraction of rents or accumulation of wealth above all else. This human instinct is what makes elites prefer extractive institutions over economic development, which would make the nation more prosperous but at their individual economic expense (Acemoglu/Robinson 2012: pp.83-85, 183). Pursuing one's own economic self-interest is also the driving force behind the appearance of modern inclusive institutions, since they serve the interest of the poor who benefit from a "diffusion of prosperity" (2012: p.274). However, it is also plausible that Acemoglu and Robinson agree to some extent with Aristotle's assertion that a human being is a political animal (*Politika* 1253a) – or a "homo politicus" (to keep the pseudo-Latin consistent). This is suggested by the fact that they place the birth of complex institutions already in the natural state before the Neolithic Revolution (Acemoglu/Robinson 2012: p.141) and by the struggle of social groups not only for economic wealth, but also for political power that they demand be diffused as well (2012: pp.286, 308).

In accordance with these two human characteristics, Acemoglu and Robinson further divide extractive and inclusive institutions into political and economic ones. Notably, the struggle for both economic and political power can also be interpreted as different facets of the struggle for recognition.

In summary, the authors of these three theories present somewhat different conceptions of humanity involving human characteristics that have both positive and negative effects on development. Despite these differences, the authors mostly agree on the natural state of humanity, since the findings of archaeology and anthropology have mostly eliminated the room for speculation the thinkers from the Enlightenment era enjoyed in this regard.

Acemoglu and Robinson not only place extractive social institutions before the Neolithic Revolution (2012: p.141); they also place inclusive institutions before the Industrial Revolution (2012: p.103), thus inverting the causality that is traditionally assumed behind these processes. As the next chapters will show, at least regarding the correlation between the Industrial Revolution and political development, the other authors tend to agree that institutional innovation had to come first.

## 4. Initial situation and development objective

As was already seen in the previous chapter, the authors agree to divide political history into three distinct stages. The first stage occurred before the Neolithic agricultural revolution, when only basic social organisation was possible and necessary. This status represents the “state of nature” discussed above. It has major implications for the natural human characteristics that define later stages of development, but a description of life in hunter-gatherer societies per se is only marginally relevant to political science in the 21<sup>st</sup> century. The next two stages are more important to the focus of this paper and constitute the “status quo ante” and “status quo post” of contemporary political development.

After the Neolithic Revolution, social organisation gradually assumed a higher degree of complexity. This second stage of development is called a limited access order by North et al., regarded as developmental progress in one or several dimensions of development by Fukuyama, and seen as a prevalence of extractive institutions by Acemoglu and Robinson. This is the status quo ante of contemporary political development, which is discussed in 4.1. Finally, the Industrial Revolution represents the beginning of the third and final stage of development, in which social organisations may reach their most complex (and normatively superior) form: the open access order, a liberal democracy, or an equilibrium of inclusive institutions. This is the status quo post discussed in 4.2.

### 4.1 Status quo ante

#### **North, Wallis, and Weingast**

North et al. describe the status of social orders before development as a “limited access order”. They also call it the “natural state”, as almost every social order since the Neolithic Revolution has been structured according to this logic, and most are still today. In chapter 3, natural tendencies toward violence, personal relationships, and the accumulation of wealth were identified as human characteristics presumed by North et al. The limited access order or natural state can be seen as a direct result of these characteristics.

In it, a dominant coalition of elite groups has the common goal of solving the problem of violence in order to extract more rents. These groups create privileges that they share amongst themselves while “limiting access” to them by excluding others:

By limiting access to these privileges to members of the dominant coalition, elites create credible incentives to cooperate rather than fight among themselves. Because elites know that violence will reduce their own rents, they have incentives not to fight. Furthermore, each elite understands that other elites face similar incentives. In this way, the political system of a natural state manipulates the economic system to produce rents that then secure political order. (North et al. 2009: p.18)

In taking these steps, however, elites are restricted by the need to treat all relationships as personal:

Everything is personal. [...] Personal relationships and rent-creation provide the incentive systems that contain violence and allow cooperation in a natural state. The inherently personal nature of all relationships in a natural state expresses the fundamental logic underlying the limited access social order. (2009: p.37)

Since the category of limited access orders includes almost every social order that has ever existed, North et al. felt the need to specify different types of limited access orders. Their typology consists of a continuum of three types – fragile, basic, and mature – and is essentially based on “the sophistication of the organizations they can support” (2009: p.41). The more complex its organisations, the closer the natural state comes to the “developed” open access order. A *fragile* limited access order can “barely sustain itself”, since institutional structures are simple, and endogenous or exogenous shocks “can easily lead to violence” (2009: p.42). A *basic* order is overall more stable than a limited order, but in it still “only organizations with direct connections to the state possess durability” (2009: p.45). This instability declines in *mature* limited access orders, which are “characterized by durable institutional structures for the state and the ability to support elite organizations outside the immediate framework of the state” (2009: p.47). North et al. list the control of violence, the scope of the rule of law, and the durability of institutions as dimensions in which limited access orders “mature”. They admit, however, “that the pace and direction of change is not the same on all dimensions” (2013: p.333), which complicates the categorization of different cases into the continuum of fragile, basic, and mature. As we will see, this multidirectionality is something their framework has in common with that of Fukuyama.

### **Francis Fukuyama**

Fukuyama sees political development as a process that occurs in three dimensions: the state, rule of law, and accountability. While “dimensions” is the term Fukuyama uses, they are better described as variables, that together describe the status of development of a given country. Unlike North and his colleagues, Fukuyama does not offer any ideal-typical distinctions between different stages of development. Instead, each of the three variables represent a continuum into which each case example can be placed. In this threefold continuum the number of potential combinations is effectively infinite, which highlights the individuality of each case.

The only way in which Fukuyama groups different countries within the status quo ante together is based on the sequence in which development on the different variables has been achieved. During development, the three elements can act at cross-purposes, as accountability and the rule of law hinder the construction of a capable Weberian state (Fukuyama 2011: p.16). Thus,

two general types of sequences can be expected. In one, accountability and rule of law emerge before a bureaucratic state with a monopoly on violence. In the other, accountability and rule of law must evolve within this state once it is already established.

To summarise, the common characteristic of countries in the status quo ante is a condition of limited or at times non-existent progress in the three dimensions. In this condition, politics generally takes the form of “patrimonialism”, as “the natural human propensity to favor family and friends [...] constantly reasserts itself in the absence of strong countervailing incentives” (Fukuyama 2011: p.17), just as it does in the framework of North et al.

### **Acemoglu and Robinson**

Instead of categorising entire political systems, Acemoglu and Robinson categorise individual institutions, which they see as either extractive or inclusive. In developing countries, extractive institutions account for most of the institutions that constitute the political and economic system.

Extractive institutions are further divided into economic and political types. Extractive economic institutions “are designed to extract incomes and wealth from one subset of society to benefit a different subset” (Acemoglu/Robinson 2012: p.76). These economic institutions typically maintain unequal access to property rights, education, public services, the ability to form organisations, and legal resources (Acemoglu/Robinson 2012: pp.74-76). Unlike extractive economic institutions, extractive political institutions are based on a negative definition:

We will refer to political institutions that are sufficiently centralized and pluralistic as inclusive political institutions. When either of these conditions fails, we will refer to the institutions as extractive political institutions. (Acemoglu/Robinson 2012: p.81)

Political institutions that lack sufficient centrality and pluralism “concentrate power in the hands of a narrow elite and place few constraints on the exercise of this power”, allowing the elite to implement extractive economic institutions in order to increase their wealth (Acemoglu/Robinson 2012: p.81). As a result, “combinations of extractive and inclusive institutions are generally unstable” (Acemoglu/Robinson 2012: p.82).

But when extractive institutions of the economic and political type are combined, their interdependence becomes the foundation for a stable equilibrium that Acemoglu and Robinson call the “vicious circle” (2012: p.335). On the one hand, if the extractive institutions are abolished in a process of political change or development, such as a revolution or a crisis of government, but the extracting elites remain in power, they are likely to innovate new extractive institutions, as happened in the southern USA after the Civil War (Acemoglu/Robinson 2012: pp.351-357). On the other hand, if the political elites are instead entirely exchanged but extractive institutions remain in place, the new elites face the same incentives as the former

ones and are likely to return to extractive political institutions according to the “iron law of oligarchy”, as happened in Ethiopia, Sierra Leone, and much of sub-Saharan Africa (Acemoglu/Robinson 2012: pp.358-361, 366). The stable equilibrium of this vicious circle is supported by their earlier finding that knowledge of political institutions and resource distribution at a given point in time is sufficient, under otherwise stable conditions, to explain political institutions and resource distribution in the future (Acemoglu et al. 2005: p.392).

## 4.2 Status quo post

### **North, Wallis, and Weingast**

North et al. call the status of a social order after development an “open access order”. In such an order, a monopoly on violence in Weber’s sense is consolidated by a political system that is “constrained by a set of institutions and incentives that limit the illegitimate use of violence” (North et al. 2009: p.22). Violence is now organised and controlled much more clearly, which allows the political system to “open access” for a large majority of the people, so that former privileges become rights:

Control of the political system is open to entry [...]. All citizens have the right to form organizations, and they use the services of the state to structure the internal and external relationship of their organizations to individuals and other organizations. The ability to form organizations at will without the consent of the state ensures nonviolent competition [...] in every area of society with open access. (2009: p.22)

North et al. describe open access orders as having five characteristics: 1. a common set of beliefs about the inclusion and equality of citizens; 2. unrestrained access to economic, political, and other activities; 3. support for the organisations formed as a result of point 2; 4. rule of law for all citizens; and 5. impersonal exchange (2009: p.114). When it comes to the outward form of a social order with these characteristics, they see “political and economic competition in markets and democracy” as a necessary element (2009: p.114).

### **Francis Fukuyama**

For Fukuyama, a developed country is epitomized by “a successful modern liberal democracy [that] combines all three sets of institutions” – the state, rule of law, and accountability – “in a stable balance” (2011: p.16.)

State-building aims at forming a Weberian state that holds a monopoly on violence and operates through a meritocratic bureaucracy (Fukuyama 2011: p.450). Rule of law exists where “the preexisting body of law is sovereign over legislation, meaning that the individual holding political power feels bound by the law” (Fukuyama 2011: p.246). Accountability refers to the belief of rulers that they have a responsibility toward the people they govern and hence rule in the interest of the common good (Fukuyama 2011: p.321).

A modern liberal democracy sustains a Weberian state, the rule of law, and the accountability of the government, despite their inherent contradictions. Because of these contradictions and as a result of the characteristics at the base of Fukuyama's conception of the human, "political decay" or "repatrimonialisation" is a constant struggle for these countries (Fukuyama 2014: p.27).

### **Acemoglu and Robinson**

Acemoglu and Robinson conceive the status of developed countries as a stable equilibrium of inclusive institutions, a "virtuous circle" (2012: p.302):

Inclusive economic institutions [...] are forged on foundations laid by inclusive political institutions, which make power broadly distributed in society and constrain its arbitrary exercise. [...] Those controlling political power cannot easily use it to set up extractive economic institutions for their own benefit. Inclusive economic institutions [...] create a more equitable distribution of resources, facilitating the persistence of inclusive political institutions. (2012: p.82)

Even institutions that are inclusive only in a limited way can set in motion a positive feedback loop, leading to increasing inclusivity (2012: p.364). This is illustrated by the gradual expansion of voting rights in western democracies – across the boundaries of ethnicity, gender, and wealth – from a small, ethnically-defined, male landholding elite to entire adult populations. Much like the vicious circle that locks in extractive institutions, this virtuous circle is again in line with the central empirical findings of Acemoglu and Robinson's earlier work (Acemoglu et al. 2005).

As this chapter has shown, the three theories differ widely in how they describe political orders both before and after development. How then can one be sure that they are, in fact, even describing the same thing? The most convincing argument involves the countries they employ as examples of status quo ante and status quo post. Here the theories almost completely coincide. While some countries show up as case studies in only one framework (especially among the many historical examples employed by Fukuyama), there is not a single country for which the different authors disagree about its placement either before or after development. Additionally, some of the key characteristics overlap. Political accountability, the rule of law, and a Weberian bureaucracy may be plausibly framed as vital institutions that ensure political and economic openness for the population. Thus, they fit into the framework of North et al. Similarly, Acemoglu and Robinson may regard these characteristics as defining features of inclusive institutions: they fulfil the requirements of being both centralised and pluralistic, and they inhibit the creation of extractive institutions.

Another central characteristic about which there is general agreement is the directly personal quality of institutions before political development, which Fukuyama calls patrimonialism or (in a contemporary context) neopatrimonialism:

This pattern of behavior is visible in countries from Nigeria to Mexico to Indonesia. Douglass North, John Wallis, and Barry Weingast have an alternative label for neopatrimonialism, what they call a 'limited access order,' in which a coalition of rent-seeking elites use their political power to prevent free competition in both the economy and the political system. Daron Acemoglu and James Robinson use the term 'extractive' to describe the same phenomenon. At one stage in human history, all governments could be described as patrimonial, limited access, or extractive. (Fukuyama 2014: p.26)

In sum, it is fair to say that when it comes to the situation before or after development, the authors of the three theories see the same thing. The next chapter will take a closer look at the actual process of development that connects these two worlds.

## 5. The process of political development

After examining how the three theories define the status quo ante and status quo post of the political development process, the thesis now addresses the process of development itself as it is seen through the three different frameworks. Here, more substantial differences can be identified.

### 5.1 Doorstep conditions: North, Wallis and Weingast

According to North et al., the elites organise themselves in a dominant coalition to form a limited access order. Therefore, institutional changes that lead to the transition from limited to open access must not only be “consistent with the logic of the natural state” but also “consistent with the interests of members of the dominant coalition”, although some specific results may at times be unintended (North et al. 2009: p.150). Additionally, such institutional changes must happen incrementally in order to be sustainable under limited access conditions (2009: p.150). These prerequisites lead North et al. to identify three “doorstep conditions” that they see as necessary for the transition to open access: 1. “rule of law for elites”, 2. “perpetually lived organizations in the public and private spheres”, and 3. “consolidated control of the military” (2009: p.151).

*Rule of law for elites* serves the interest of the dominant coalition by giving it the means to structure relationships among its different members without resorting to violence. For North et al., “the origin of property rights and legal systems is the definition of elite privileges in the natural state”, where the laws may not be fair but are applied fairly within the dominant coalition (2009: p.151). Once a rule of law for elites has been established, their privileges are likely to be transformed incrementally into particularistic and finally universal rights. This transformation serves two purposes for the elites. First, elites are motivated by economic incentives, as North et al. demonstrate with the example of landownership *rights* as opposed to politically distributed *privileges*:

As long as landownership serves both a political and an economic purpose, it will serve its economic purpose less well than if ownership responds more closely to economic incentives. (2009: p.157)

Second, rights are easier to defend against other elites, non-elites, or individuals such as kings, queens, or presidents than idiosyncratic privileges (North et al. 2009: p.158). A consensus is more likely to be reached under these terms, especially today within the discourse hegemony of democracy.

North et al.’s idea of *perpetually lived organisations* refers to organisations that can exist “beyond the life of its individual members” and are therefore impersonal (2009: p.152). Such organisations require some degree of elite rule of law so they can be recognised as legal

persons (: p.152). For elites, these organisations can be tools to increase wealth, which incentivises the expansion of impersonal markets (2009: p.153). North et al. point out two problems that can inhibit the creation of perpetually lived organisations. The first is that of belief. How can someone believe in a social agreement “that involves a contract in which all the parties to the contract may be dead when the specified actions are to take place and all of the beneficiaries are yet unborn” (2009: p.159)? Connected to this first problem “[t]he second problem is that a mortal state cannot credibly create a perpetually lived organization” (2009: p.159). A mortal state refers not only to a fragile state but to any state that places sovereignty in an individual, for example, the Roman or Chinese emperors, who may dissolve an organisation at any point in time simply on a whim (North et al. 2009: p.160). Thus, to create perpetually lived organisations, the state itself needs to become a perpetually lived organisation by refraining from placing sovereignty in individuals and instead expanding the rule of law to stand above all individuals as the only true sovereign (North et al. 2009: pp.163-164). Only under these conditions can individuals start to believe in the continued existence of organisations beyond the lives of the people who constitute them.

While the first two doorstep conditions confine the “inherent affinity in human nature for building personal relationships” (North et al. 2006: p.32), the third doorstep condition, *consolidated control of the military*, regulates the human propensity for violence. North et al. insist that this incipient monopoly on violence must be organised by the entire dominant coalition and cannot be maintained by single elite factions:

such a natural state is very likely to be a tyranny, not a society on the doorstep. Moreover, societies where a single faction dominates the military are unlikely to sustain consolidated control for long, because the factions and groups in the dominant coalition without the means to protect themselves have no reason to believe that the commitments made to them will be honored. (North et al. 2009: p.153)

Instead, elite groups outside the military must not only believe that they can collectively control the actions of the military but actually be able to do so. This requires the establishment of specific perpetually lived organisations that can control not the immediate tactical decisions of the military but the flow of resources toward it and the scope of its operations (2009: pp.170-171). What makes consolidated control of the military desirable for individual elite groups is once again their willingness to accumulate wealth, now in connection with the impersonal organisations that constitute the second doorstep condition:

Because agreements that reach across networks are vulnerable in times of violence, they are less likely to be undertaken. [...] Consolidated control of the military removes this source of risk and thus extends the range and scope of impersonal relationships among elites. (North et al. 2009: pp.153-154)

Although the three doorstep conditions build upon each other, they need not appear in the ideal sequence seen above (North et al. 2009: p.188). They are also “necessary, but not sufficient conditions for a transition” (North et al. 2009: p.189). Collectively, they demonstrate ways in which “open access produces enough output to make everyone, elite and non-elite, better off” (North et al. 2009: p.188), in contrast to the ideas of Acemoglu and Robinson, who think that elites are decidedly worse off in the status quo post and that “opposition to economic growth has its own, unfortunately coherent, logic” (Acemoglu/Robinson 2012: p.84).

## 5.2 Origins of political order: Fukuyama

Fukuyama’s subdivision of political development into the three dimensions of state-building, rule of law, and accountability not only results in a corresponding division of his conditions for development but also implies that different sequences of development have a large influence on the outcome. Even more so than the other authors, Fukuyama also focuses extensively on premodern historic cases of development, which further obstructs from view what, in his framework, would be appropriate development policies in the present. This subchapter aims to identify conditions that are advantageous or disadvantageous for each of Fukuyama’s three dimensions of development while also being plausible in a 21<sup>st</sup>-century context, and it aims to give an overview of the sequencing effects between the different dimensions.

“The state” for Fukuyama is equivalent to the one conceptualised by Max Weber in so far as “states should be subject to a rational division of labor, based on technical specialization and expertise, and impersonal both with regard to recruitment and their authority over citizens” (Fukuyama 2011: p.450). Fukuyama sees two viable routes to state-building. In the first route, an authoritarian regime replaces patrimonial institutions with meritocratic bureaucracies to ensure better performance in military competition. This is what Weber observed in his own German historical context, and a similar process played out in Japan after the Meiji restoration. In such a scenario, the establishment of a state bureaucracy requires some degree of rule of law, and together they enable economic development, which leads to social mobilisation that is likely to demand political accountability (2011: p.202).

This route of “authoritarian modernisation” is evidently unfavourable, as both authoritarian governments and war are to be avoided if as many people as possible are to actually survive the development process. But even if one were to take a more radically utilitarian perspective and accept authoritarian rule and wars as the necessary means to an end, the historical context of Germany or Japan in the 19<sup>th</sup> century simply does not exist anymore. Since then, intensive economic growth (industrialisation) has become increasingly possible, while extensive economic growth (military expansion) has become infinitely more expensive and internationally frowned upon, as Fukuyama already noted much earlier (1992: p.262). Vladimir Putin has

recently broken this taboo by invading Ukraine, but there is (to my knowledge at the time of writing) little evidence that Russia has shown any significant signs of authoritarian modernisation.

The second and preferable route to state-building is observed by Fukuyama in countries where the rule of law and political accountability were adopted before a Weberian state, such as the USA or Great Britain. In these cases, the social mobilisation caused by economic growth must demand state-building in addition to (or instead of) further accountability. For this endeavour, most of the characteristics that constitute Fukuyama's conception of humanity can be obstructive. The highly organised elites of a patrimonial state can exploit the human tendency toward kin selection and reciprocal altruism to coopt social groups into patronage systems. In doing so, religion or ideology can be useful tools to provide mental models of causality that convince individuals to perceive this system as advantageous for them and their families. Communism or Christianity are examples for what Hegel describes as a slave ideology that has been abused to maintain the domination of their masters (Hegel 2005: p.214 as interpreted by Fukuyama 1992: p.197). The natural proclivity for norm-following further strengthens such an arrangement, suggesting potentially long-term stability for patrimonial political orders (Fukuyama 2014: p.199).

To escape this equilibrium, a few conditions are important (see Fukuyama 2014: pp. 205-207). First, the social mobilisation caused by industrialisation must lead to the formation of genuinely new social groups that have no stake in the patrimonial system whatsoever. Second, these social groups must see it in their interest to demand a bureaucratically organised state, and they must be able to recruit members of the emerging middle class to this cause, who otherwise are likely to be coopted into clientelist structures. And third, the cultural context must allow "a broad radius of trust and social capital" that leads individuals to identify with the state rather than with family, tribe, or region (2014: p.207). In Fukuyama's framework, a low-trust society presents a low-level equilibrium (2014: p.124). This outlook is consistent with North et al.'s framework, as they agree that the lack of social capital described by Fukuyama (1995) makes higher forms of organisation impossible (North et al. 2009: p.7).

Rule of law and accountability have different implications for different social classes and are therefore supported or opposed by different sections of society depending on the circumstances. The middle class that emerged as a result of economic modernisation has strong incentives to support a rule of law that protects their rights and property from an uncontrolled government. Their incentives might, however, lead them to be content with a "predictable" government that is subject to some very limited degree of rule of law but not directly accountable to the people (e.g., China or Singapore). They are also likely to be opposed to economic redistribution, fearing for their newly gained wealth (Fukuyama 2014: p.406). The working class is instead likely to be more interested in making government

accountable and achieving political participation. In their economically precarious situation, they also tend to support economic redistribution, which might outweigh their interest in accountability (2014: pp.406-407). Landowners and other elites linked to the patrimonial state are highly likely to oppose both rule of law and accountability (2014: p.407), and they can exploit the differences between middle- and working-class interests, as well as human nature (as Fukuyama understands it), to inhibit the implementation of either.

### 5.3 Broad coalitions for inclusivity: Acemoglu and Robinson

In Acemoglu and Robinson's framework, humans are divided into the same two broad categories of elites and non-elites that North et al. also employ. However, unlike both North et al. and Fukuyama, Acemoglu and Robinson take a negativistic approach: rather than asking why or how nations develop, they ask why nations do not develop and instead stay the same (*Why Nations Fail*, 2012). They conceptualise the status quo ante of political development as a stable equilibrium (see 4.1). To escape this vicious circle, a historical critical juncture must coincide with the formation of a broad coalition that demands inclusive institutions be implemented (Acemoglu/Robinson 2012: p.427).

The economic interests of elites and non-elites are unambiguously clear to Acemoglu and Robinson, based on their earlier work (2001: esp. pp.938-939): elites support extractive institutions because they allow them to extract resources from non-elites, who in turn support inclusive institutions that would free them from the injustice of extraction.

To overpower the self-interest of elites, who are by definition a small fraction of the populace, non-elites must come together in a "broad coalition". By this, Acemoglu and Robinson mean an alliance between different social groups that have the common goal of replacing extractive institutions with inclusive ones. While the authors do not concisely define these coalitions, their description of their formation in historical cases gives us some idea of their most important characteristics (see Acemoglu/Robinson 2012: p.362).

Unlike members of the elite, non-elites can potentially benefit from creative destruction, a term coined by economist Joseph Schumpeter. Creative destruction describes the mechanism whereby new innovations threaten entrenched economic sectors while at the same time establishing new ones. A classic example for this is the invention of the weaving and spinning machines and its socioeconomic impact that was described lyrically by Heinrich Heine. While the fate of the weavers was bleak, the technology also created new employment with higher productivity. Upcoming entrepreneurs who profit from the effects of creative destruction have both motivation and resources to oppose extractive institutions. However, if any specific one of these new social groups were to achieve power, the same incentives that made the former elite prefer extractive institutions would now apply to them (see 4.1). Therefore, the coalition

must be “broad” and consist of a plurality of different social groups, organisations, and interests that together may preclude a coup motivated by a narrow interest and implement inclusive institutions that benefit each of these groups.

Since a political order consisting of extractive institutions is stable, some form of exogenous or endogenous shock is likely needed to escape its low equilibrium. Acemoglu and Robinson call these shocks “critical junctures [which] are major events that disrupt the existing political and economic balance in one or many societies,” and they name the plague in Europe as an example (2012: p.431). These extreme conditions, however, are neither necessary nor sufficient, since Acemoglu and Robinson’s “explanation for these transitions is historical, but not historically predetermined” (2012: p.431). Instead, other less disruptive conditions that could support the formation of a broad coalition might be a centralised and stable political order that allows the formation of social movements and/or the limited presence of rudimentary inclusive institutions, such as democratic forums or free media outlets (2012: pp.460-461).

## 6. Findings: parallels and differences

The direct textual confrontation of the three theories reveals that their authors' ideas of where political development should lead largely overlap, while their characterizations of development itself do not. All three theories perceive different conditions as beneficial for political development. These conditions can be divided into at least three areas: institutional, social, and motivational.

First, there is little disagreement on what directly constitutes development, i.e., which changes in *institutional conditions* collectively amount to political development. All three frameworks see many political and economic institutions as unequivocally beneficial conditions. But when it comes to who supports these institutions, the authors differ greatly, with their theories ranging from one scenario where elites develop a country out of self-interest to another where non-elites must demand development using violence. In other words, the *social conditions* of development differ widely among the three frameworks. A last interesting field of contention is that of motivation: why do social groups support or oppose development? Different *motivational conditions* influence these decisions in different developmental settings. With regards to motivation, two of the three theories unfortunately leave much room for speculation.

### 6.1 Institutional conditions

On the matter of institutional conditions for development, there is some consensus among the three theories. As they have a common development goal, they also agree that even rudimentary institutions that have open access, liberal democratic, or inclusive characteristics can represent somewhat of a crystallisation point for political development.

In fact, many of the institutions they suggest are substantially the same. Rule of law and a centralised Weberian bureaucracy with a monopoly on violence are development goals in all three frameworks, and even if they are implemented only hesitantly and partially, they are nevertheless conducive to political development overall. Fukuyama talks of political accountability, as do Acemoglu and Robinson, while North et al. frame the same idea as open access to political institutions. The authors also agree in their implied recommendations for institutional development, which might cynically be summarised as “the more western, the better”. Their theories are essentially in line with classic modernisation theory and with Fukuyama's, Kojève's, and Hegel's vision of the end of history. Nevertheless, the authors of the three theories warn of what is in development research referred to as “isomorphic mimicry”, where the formal structure of “western” institutions is emulated while substantially continuing a patrimonial structure of organisations (North et al. 2013: pp.333-334; Fukuyama 2014: p.316).

## 6.2 Social conditions

The social conditions of development represent the central disagreement among the three theories. The essential question in this area is who supports and who opposes development. North et al.'s answers are the polar opposite of what Acemoglu and Robinson conclude. For the former, the ruling elite realise economic and political modernisation, which serve their interests. But for the latter, the elite are on the losing end of the development process, and inclusive institutions are in the interest of non-elites who must organise to assert themselves against the ruling elite. The creative destruction that, in Acemoglu and Robinson framework, propels societies toward inclusive institutions, is for North et al. a defining characteristic only of social orders that are already defined by open access (North et al. 2009: p.116).

On a continuum between these two extremes, Fukuyama stands somewhere in the middle. In his framework, membership in the elite does not determine opinions about development. In fact, his theory does not assume any such preferences and instead relies on a contextual analysis of the relationships among different social groups that might at times even be specific to a single country. This method is illustrated by Fukuyama's analysis of European history, where, depending on regional circumstances, the royalty formed alliances with non-elites to weaken the aristocracy (as happened in England) or the aristocracy might suppress and exploit non-elites in order to achieve more leverage against the royalty (as happened in much of eastern Europe) (Fukuyama 2011: pp.413; 383-384). The number of these coalition constellations is effectively infinite in Fukuyama's framework.

Nevertheless, despite their opposing perspectives, North et al. and Acemoglu and Robinson are both able to provide historical examples that support the assumptions of their respective theories. If we are to accept their individual qualitative empirical analyses of historical examples as in their essence correct, neither of their generalisations can be accepted. Instead, the only satisfying conclusion is to accept Fukuyama's framework, which in this regard is more flexible while offering less predictive power.

Interestingly, since 2009, as North et al.'s limited access framework has been applied to more cases, some of these cases have shown characteristics that fit well within Acemoglu and Robinson's extractive institutions framework: in some African countries, urban workers represent a threat to the elite and must be coopted in order to avoid a violent uprising or revolution. North et al. reframed this situation in terms of the violence potential of these workers (2013: p.330), since the ability to exercise and organise violence is, in their framework, the central characteristic of elites in limited access orders (2009: pp.18-21). But while this explanation makes these cases more understandable in terms of the limited access order framework, its implications may also undermine the framework. Does a makeshift union in an

African gold mine turn into an elite group upon acquiring some AK47s? At least not in the conventional sense of the word.

### 6.3 Motivational conditions

To understand the motivations that make social groups support or oppose development, the three frameworks mostly rely on their explicit or implicit assumptions about human nature. This can be an advantage as it allows for more general observations than if one were to explain these motivational structures based purely on cultural contexts. However, many of these assumptions are based not on empirical scientific findings but rather on traditional ideas inherited by the authors. Such is the case with the homo economicus employed by both North et al. and Acemoglu and Robinson. Fukuyama criticises the tendency of economic development research to view humans as individual utility maximisers, countering that “it is in fact individualism and not sociability that developed over the course of human history” (2011: p.29). The desire for recognition that is part of his conception of humans is also based on a tradition of ideas reaching back to Hegel instead of Bentham and Mill. However, Fukuyama is able to substantiate his view with empirical evidence from the field of psychology (2011: pp.41-42).

In fact, unlike most of the core assumptions of North et al. and Acemoglu and Robinson, the four assumptions about human nature in Fukuyama’s framework are all backed up by at least some empirical evidence. To these four, we can add North et al.’s human propensity for violence, which is also consistent with empirical findings (2009:pp.75-76), which gives us five natural human characteristics that we can for now reasonably assume to be universal motivational conditions of political development (and, in fact, all political processes): 1. kin selection and reciprocal altruism (the main cause of patrimonialism), 2. a capacity to create mental models of causality, 3. a proclivity for norm-following, 4. a desire for intersubjective recognition (which includes financial and political aspects), and 5. a natural propensity for violence.

Beyond these universal characteristics, we must also keep in mind regional cultural differences that result from motivational conditions 2 and 3. These differences influence what individuals in a given society will perceive as beneficial to themselves and to their society as a whole, as North et al. agree (2009: pp.27-29).

## **7. Concluding remarks: The future of the end of history**

Among the three theories of political development compared by this thesis, Fukuyama's approach stands out as being more balanced but less predictive than that of the other two since its explanation of individual interests does not rely as extensively on elite membership. The social and motivational conditions might simply be too abstracted in both North et al.'s framework as well as that of Acemoglu and Robinson.

Regarding the institutional conditions, a final interesting observation can be made: neither Fukuyama nor Acemoglu and Robinson can evade the appeal of the limited vs. open access terminology. Discussions of who has access to what are a common theme among all three frameworks, and inclusive or liberal democratic institutions can also be explained in terms of access to political participation, education, economic institutions, legal counsel, and so on (see, e.g., Acemoglu/Robinson 2011: pp.7-9,36-37; Fukuyama 2011: pp.171-173, 2014: pp.161-162). The abstraction of democratic institutions into a matter of "opening access" also has the potential to be more illuminative when one is analysing individual institutions (much as Acemoglu and Robinson do). Often, these institutions are already nominally democratic while remaining, in substance, premodern. Instead of being distracted by the abstract rights that young people theoretically possess in western democracies, we can discern that their access to education is in fact highly limited through processes of economic inequality. These terms also allow us to understand the unequal access that is, by design, part of many nominally modern western bureaucratic institutions (identified by Lipsky 1980: pp.87-116) as an obstacle to development. Such phenomena suggest that "isomorphic mimicry" might not be a problem of the developing world exclusively.

As to social conditions, no consensus can be found among the three theories on whether elites or non-elites are the primary supporters of development. More data is needed to identify potential correlations in this area.

The motivational conditions identified by the different authors on the other hand do not appear to contradict each other and can be combined, at least as long as they are based on empirical evidence instead of scientific traditions.

All the authors agree that the qualitative analysis of historical cases is the only feasible method for formulating a theory of political development. Accordingly, this field of research could in the future greatly benefit from a much more interdisciplinary approach. The perspective of actual historians or archaeologists would make case studies more reliable. Psychology and anthropology could offer more meaningful foundations for assumptions about human nature (a first step in this direction has been made by Fukuyama). These assumptions must also be clearly formulated and thus falsifiable, instead of being implied or based on traditional ideas. Lastly, researchers must not shy away from natural scientific perspectives on development.

Exemplary for the advantages they might bring to this topic is the research of the Santa Fe Institute, which has already yielded deep insights and uncovered highly significant correlations in the development processes of cities and economic organisations (summarised by West 2017). A research effort on a similar scale could yield more coherent information about the economic and political characteristics of different modernisation processes.

However, the paramount problem that normative theories of development face is the way they are perceived in the international scientific community. The risk here is that they will suffer the same fate as modernisation theory, which entered ideologically defined terrain and as a result came to be suspected as an ideology instead of a scientific school of thought (Berger 1996: p.45). In the west, academics and intellectuals today speak of the “End of the End of History” (Hall 2020) or question whether we are not at the end of capitalism rather than the end of history (Žižek 2016). Meanwhile, militaries and militias in African countries also remain unimpressed by essays on political philosophy and continue a series of coups throughout the continent, much to the delight of the diverse international community of authoritarian regimes, who are closely observing this trend.

Theories like those discussed in this thesis are often perceived simply as a part of the American cultural hegemonic project – and not without reason. They frame western political systems as utopias of open access, liberal democracy, and inclusive institutions. However, findings in different fields of research (such as those on responsivity or economic inequality, see Elsässer 2017; Piketty 2014) constantly challenge and undermine this assumption – even if one is to see it as merely a functional simplification of reality – with new inconvenient particularities of western political systems. In subscribing to this simplification, a certain cognitive dissonance inevitably occurs. A prime example is Acemoglu and Robinson’s critique of the Mexican businessman Carlos Slim for earning his millions through a telecom monopoly while praising the “immense talent and ambition” of Bill Gates – who made billions through a monopoly on computer operating systems (see Acemoglu/Robinson 2012: pp.34-41. The same observation is made by Piketty 2014: pp.592-593). So long as the mindset of political development remains “the more western, the better”, academia is likely to remain sceptical or opposed to the idea of an “end of history” that constitutes the foundation of each of the three new ideas discussed in this paper.

Instead, a more constructive perspective is needed that respects the fact that no perfect political system can exist. From this perspective, the frameworks presented by North, Wallis, Weingast, Fukuyama, Acemoglu, and Robinson – and any more comprehensive theory that might arise from them or independently of them – must be seen as a utopia and not as a description of the status quo of western liberal democracy. This perspective was, in fact, already presented to us by Plato, who stood at the very beginning of our age-old problem of political development. For him, the perfect polis as a strictly hypothetical “best regime”,

delivered “a standard by which one could measure those regimes that actually existed” (Fukuyama 1992: p.337). If the proponents of the end of history want to be taken seriously, this is the route they should take.

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*Note: all links were last retrieved on the 20<sup>th</sup> of September 2023.*

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