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A Review of Douglass C. North, John Joseph Wallis, and Barry R. Weingast's *Violence and Social Orders: A Conceptual Framework for Interpreting Recorded Human History*

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In Violence and Social Orders: A Conceptual Framework for Interpreting Recorded Human History, Douglass C. North, John Joseph Wallis, and Barry R. Weingast probe the organizational foundations of development. Outlining the properties of the “natural” and “open entry” societies, they highlight as well the conditions under which societies can move from one to the other, thereby achieving political order and economic prosperity.

1. Introduction

Rarely do authors place between two covers their thoughts on the law, both common and canon; on Rome and the British navy; on hunters and gatherers and tribal societies; and on the Whigs in eighteenth century England and the Democrats in nineteenth century America. Nor are many scholars willing to offer “A Conceptual Framework for Interpreting Recorded Human History.” In *Violence and Social Orders: A Conceptual Framework for Interpreting Recorded Human History*

(Cambridge University Press 2009), Douglass North, John Wallis, and Barry Weingast demonstrate the learning and exhibit the chutzpah to do both.

Violence and Social Orders can be read either as a work on economic history or as a contribution to the study of development. Viewed either way, it imparts a central lesson: that politics—and, in particular, the use of coercion—determines the quality of life to which people can aspire: the level of prosperity, the degree of security, and the ranges within which they vary. Because of differences in the manner in which power is deployed, they argue, some societies collapse in response to shocks whereas others prove adaptive. Over time, those that grow

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for longer periods and collapse less frequently achieve higher levels of income.

Throughout history, the powerful have tried to combine in order to create rents and to restrict access to them—this is the “natural state,” North, Wallis, and Weingast argue, or the conventional use of power. But, in a few societies, there is “open entry” and, when combined with other features, these are the few that develop. Among the key factors distinguishing “open entry” from “natural” societies, two receive special emphasis: the existence of impersonal norms and the emergence of permanently lived organizations. The first facilitates the circulation of elites: all who perform are entitled to be rewarded. The second amplifies the impact of the first while also ensuring continuity: because organizations possess more clout than individuals, they enable citizens to exert influence even when not holding office and, because the lifetime of an organization exceeds that of its members, organizations provide stability where one might otherwise expect flux resulting from the impact of faction.

Two other differences stand out. In natural societies, wealth and power are held by the same people and they are armed. Under such circumstances, politics resembles a temporary truce in which small deviations can trigger violent and costly reprisals. Because the military constitute a profession divorced from politics in open access societies, such deviations are less consequential and, therefore, less unsettling. Secondly, in natural societies, politicians intervene in markets in ways that generate opportunities for rationing, thereby securing the resources with which to grant favors and to build political followings. In contrast, open access societies are based on market-like principles. Ideas compete for adherents and few barriers limit political entry. When hit by external shocks, then, open access societies are better positioned to adapt, with new

leaders coming to the fore or old leaders championing new policies.

2. Discussion

In addressing these arguments, I begin with North, Wallis, and Weingast’s discussion of the transition from natural to open access political systems and then turn to their analysis of the latter.

2.1 *The Transition*

In analyzing the process of development, North, Wallis, and Weingast place appropriate emphasis on the work of Charles Tilly, who famously declaimed that “states make war and war makes the state” (Tilly 1985). The pursuit of international security, Tilly argues, spurred the marginalization of the aristocracy, the rise of meritocracy, and the creation of a skilled bureaucracy. It also led to the search for public revenues, thus rendering the state developmental.

Devised to account for the formation of states in the Early Modern period, Tilly’s argument applies to the modern era as well. Thus David C. Kang (2002), among others, highlights the significance of the United States’ abandonment of its previous commitments to Vietnam to account for the transformation of the government of Korea from a corruption-ridden dictatorship to a developmental autocracy. And Neil Charlesworth, in his probing study of India’s economic stagnation, highlights the impact of its geopolitical setting: unlike states in Europe, he writes, India had no need “to industrialize in order to compete with neighboring rivals” (Charlesworth 1982, p. 71).

North, Wallis, and Weingast are fully aware of the manner in which Tilly and others relate international conflict to economic development but they fail, in my judgment, to fully assimilate the broader logic that underlies the argument. Political incumbents, Tilly argued, will render states developmental in

order to ensure their own political survival. The point applies to domestic as well as to international politics. Thus the logic that ties political accountability to the selection of welfare enhancing public policies (Robert J. Barro 1973; John Ferejohn 1986; Persson and Guido Tabellini 2000). Relevant to this book's agenda is that the logic of these models has been applied by both practitioners and scholars to the developing world. Thus the World Bank's call for political reform to induce policy reform, particularly in Africa (World Bank 1991). Thus too the work of Macartan Humphreys and Robert H. Bates (2005), who find that governments, when subject to challenge in upcoming elections, are less likely to be viewed by investors as prone to predation and Bates (2008), who finds that, when forced to compete for votes to stay in power, governments in Africa altered their economic policies, notably by abandoning measures that imposed high costs on the rural sector (which contains the majority of the electorate). Rather than championing intersectoral redistribution, they adopted "growth oriented" policies instead.

There is thus reason to believe that challenges to the political security of political elites from within, like threats posed from without, generate incentives for them to render the state "developmental." Their argument is thus more general and more powerful than the authors realize.

2.2 *Open Access Societies*

I readily affirm the accuracy of the authors' portrait of the developing world, or at least the portion that is Africa. There politics can be a deadly game played by the members of a small elite. Its members often favor policies that result in scarcity rather than abundance because such policies better provide the resources with which to build political organizations. Politicians accumulate support by supplying private benefits—money or jobs—rather than

public goods. Organizations are based upon personal relationships—family ties or personal loyalties—rather than impersonal standards. The characteristics that North, Wallis, and Weingast emphasize thus apply and the consequences they adduce appear to follow: slow growth, as the result of frequent economic collapses, often accompanied—or precipitated—by violence.

I find myself less satisfied with the authors' characterization of open access societies. The image they convey is classically liberal: it resonates with the writings of John Stuart Mill (2002) and Thomas H. Marshall (1950) and those of the modern pluralists, David B. Truman (1951) and Robert A. Dahl (1961). While advancing an argument that bears striking parallels with the pluralist tradition, North, Wallis, and Weingast fail, in my judgment, to pay sufficient heed to its critics.

North, Wallis, and Weingast posit a government that remains vulnerable to entry: were it to respond to but a small set of privileged interests, it would then become vulnerable to those who have been excluded. In the response to this danger, open access politics embrace public interests more broadly defined. While plausible in principle, historically this line of reasoning has attracted a host of critics. Among the most prominent stands Mancur Olson (1971), who stressed that the politics of interest groups favored the "large" over the "small." Pluralist politics, he concluded, is therefore biased. Others argue that, rather than being open, pluralist systems are subject to political capture. Thus Theodore J. Lowi (1979), Grant McConnell (1966), and others (George J. Stigler 1971) point to features of American political institutions—the committee system in Congress, the weakness of political parties, and political oversight by the bureaucracy—that make it easy for interest groups to mobilize public power for private advantage.

While the authors acknowledge the possibility of such outcomes, they insist that the

threat of entry provides a remedy. But insofar as this is the case, remedy is surely more likely to come from electoral rather than interest group politics. Whether it be in the progressive era, the depression, or the present, when major political reform has taken place, it has tended to follow the electoral defeat of incumbents. Thus this reader's disappointment with the author's failure to incorporate electoral histories into their historical narratives or to incorporate political parties into the ranks of their "perpetually lived" organizations. Their political histories should have addressed not only legal rulings, focusing on corporations and firms, but also critical elections, centering on parties and candidates.

In their analysis of open access societies, the authors stress the importance of entry; in so doing, however, they slight the power of exit—a strategy that also yields political influence. In the presence of openness, exit becomes an option (Albert O. Hirschman 1970; Peter Bachrach and Morton S. Baratz 1962; Bates and Da-Hsiang Donald Lien 1985). When devising policies, politicians must bargain over the incidence of their costs and benefits. Those who are mobile are better positioned to negotiate than are those who are not; to elicit their agreement to share in the costs of public programs, politicians may have to give them a greater share of the benefits. Thus the ability of footloose businesses to secure favorable tax treatment from states and financial capital to cow national governments. In a world in which markets have become increasingly global, openness assumes a greater role in shaping patterns of domestic political advantage.

A last reservation: *Violence and Social Orders* is largely devoted to characterization and classification. In that respect, it resembles the classics of the first generation of development studies. I do not refer to the nineteenth century writings of Max Weber (1968), Emile Durkheim (1933), or Karl Marx (1906), who sought to explain the rise of the

West, but rather to the postwar writings of the modernization theorists, such as Gabriel A. Almond (Almond and James S. Coleman 1960), Neil J. Smelser (Talcott Parsons and Edward A. Shils 1951; Smelser 1959), or Parsons (1951), who sought to address the developing world today. As do North, Wallis, and Weingast, these scholars highlighted the distinctive features and dominant characteristics of the societies they studied—they too created typologies, classifying societies as traditional or modern and generating ideal types. As do North, Wallis, and Weingast, they appealed to the notion of equilibrium and insisted that the political and economic performance of societies were affected by social institutions and cultural norms.¹

Many of us who went on to study development set these works aside, dissatisfied by the absence of agency—a notion of the forces that might account for the patterns that they describe. Parsons, at least, recognized this deficiency and, by way of remedy, formulated a "theory of action" (Parsons and Shils 1951); others turned to the notion of rationality in choice. Each author of *Violence and Social Order* has made major contributions to the latter literature. This reader, at least, is therefore surprised by the limited role that micro-level reasoning plays in their arguments. I wished to be introduced to active agents, be they politicians, merchants, farmers, or kinsmen. I wanted to be informed about the problems they faced, the constraints they encountered, the beliefs they entertained, and the strategies they devised. I needed to be enlightened about the context within which they operated, be it a market, a battlefield, an assembly, or a physical setting. Concepts, such as "double balance" or "doorstep conditions," seemed disembodied and, therefore, unable to provide an intuitively

¹Which included "ascription" and "achievement," paralleling North, Wallis, and Weingast's "personal" and "impersonal" (Parsons and Shils 1951).

satisfying or logically compelling explanation of why some societies have developed while others have failed to do so.

With bravado, abandon, and great learning, North, Wallis, and Weingast have produced an excellent read—a book that is intriguing, entertaining, irritating, and provocative. *Violence and Social Orders* is an important book that deserves a wide readership. Its concepts will shape academic discourse and its arguments the fields of economic history and development studies.

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