

1

WHAT IS POLITICAL DEVELOPMENT?

Political development and its three components: the state, rule of law, and accountability; why all societies are subject to political decay; the plan for the book; why it is good to have a balanced political system

Political development is change over time in political institutions. This is different from shifts in politics or policies: prime ministers, presidents, and legislators may come and go, laws may be modified, but it is the underlying rules by which societies organize themselves that define a political order.

In the first volume of this book, I argued that there were three basic categories of institutions that constituted a political order: the state, rule of law, and mechanisms of accountability. The state is a hierarchical, centralized organization that holds a monopoly on legitimate force over a defined territory. In addition to characteristics like complexity and adaptability, states can be more or less impersonal: early states were indistinguishable from the ruler's household and were described as "patrimonial" because they favored and worked through the ruler's family and friends. Modern, more highly developed states, by contrast, make a distinction between the private interest of the rulers and the public interest of the whole community. They strive to treat citizens on a more impersonal basis, applying laws, recruiting officials, and undertaking policies without favoritism.

The rule of law has many possible definitions, including simple law and order, property rights and contract enforcement, or the modern Western understanding of human rights, which includes equal rights for women and racial and ethnic minorities.¹ The definition of the rule of law I am using in this book is not tied to a specific substantive understanding of

law. Rather, I define it as a set of rules of behavior, reflecting a broad consensus within the society, that is binding on even the most powerful political actors in the society, whether kings, presidents, or prime ministers. If rulers can change the law to suit themselves, the rule of law does not exist, even if those laws are applied uniformly to the rest of society. To be effective, a rule of law usually has to be embodied in a separate judicial institution that can act autonomously from the executive. Rule of law by this definition is not associated with any particular substantive body of law, like those prevailing in the contemporary United States or Europe. Rule of law as a constraint on political power existed in ancient Israel, in India, in the Muslim world, as well as in the Christian West.

Rule of law should be distinguished from what is sometimes referred to as “rule by law.” In the latter case, law represents commands issued by the ruler but is not binding on the ruler himself. Rule by law as we will see sometimes becomes more institutionalized, regular, and transparent, under which conditions it begins to fulfill some of the functions of rule of law by reducing the ruler’s discretionary authority.

Accountability means that the government is responsive to the interests of the whole society—what Aristotle called the common good—rather than to just its own narrow self-interest. Accountability today is understood most typically as procedural accountability, that is, periodic free and fair multiparty elections that allow citizens to choose and discipline their rulers. But accountability can also be substantive: rulers can respond to the interests of the broader society without necessarily being subject to procedural accountability. Unelected governments can differ greatly in their responsiveness to public needs, which is why Aristotle in the *Politics* distinguished between monarchy and tyranny. There is, however, typically a strong connection between procedural and substantive accountability because unconstrained rulers, even if responsive to the common good, usually cannot be trusted to remain that way forever. When we use the word “accountability,” we are mostly speaking of modern democracy defined in terms of procedures that make the governments responsive to their citizens. We need to bear in mind, however, that good procedures do not inevitably produce proper substantive results.

The institutions of the state concentrate power and allow the community to deploy that power to enforce laws, keep the peace, defend itself against outside enemies, and provide necessary public goods. The rule of

law and mechanisms of accountability, by contrast, pull in the opposite direction: they constrain the state's power and ensure that it is used only in a controlled and consensual manner. The miracle of modern politics is that we can have political orders that are simultaneously strong and capable and yet constrained to act only within the parameters established by law and democratic choice.

These three categories of institutions may exist in different polities independently of one another, and in various combinations. Hence the People's Republic of China has a strong and well-developed state but a weak rule of law and no democracy. Singapore has a rule of law in addition to a state but very limited democracy. Russia has democratic elections, a state that is good at suppressing dissidence but not so good at delivering services, and a weak rule of law. In many failed states, like Somalia, Haiti, and the Democratic Republic of the Congo in the early twenty-first century, the state and rule of law are weak or nonexistent, though the latter two have held democratic elections. By contrast, a politically developed liberal democracy includes all three sets of institutions—the state, rule of law, and procedural accountability—in some kind of balance. A state that is powerful without serious checks is a dictatorship; one that is weak and checked by a multitude of subordinate political forces is ineffective and often unstable.

GETTING TO DENMARK

In the first volume, I suggested that contemporary developing countries and the international community seeking to help them face the problem of “getting to Denmark.” By this I mean less the actual country Denmark than an imagined society that is prosperous, democratic, secure, and well governed, and experiences low levels of corruption. “Denmark” would have all three sets of political institutions in perfect balance: a competent state, strong rule of law, and democratic accountability. The international community would like to turn Afghanistan, Somalia, Libya, and Haiti into idealized places like “Denmark,” but it doesn't have the slightest idea of how to bring this about. As I argued earlier, part of the problem is that we don't understand how Denmark itself came to be Denmark and therefore don't comprehend the complexity and difficulty of political development.

Of Denmark's various positive qualities, the least studied and most poorly understood concerns how its political system made the transition from a patrimonial to a modern state. In the former, rulers are supported by networks of friends and family who receive material benefits in return for political loyalty; in the latter, government officials are supposed to be servants or custodians of a broader public interest and are legally prohibited from using their offices for private gain. How did Denmark come to be governed by bureaucracies that were characterized by strict subordination to public purposes, technical expertise, a functional division of labor, and recruitment on the basis of merit?

Today, not even the most corrupt dictators would argue, like some early kings or sultans, that they literally "owned" their countries and could do with them what they liked. Everyone pays lip service to the distinction between public and private interest. Hence patrimonialism has evolved into what is called "neopatrimonialism," in which political leaders adopt the outward forms of modern states—with bureaucracies, legal systems, elections, and the like—and yet in reality rule for private gain. Public good may be invoked during election campaigns, but the state is not impersonal: favors are doled out to networks of political supporters in exchange for votes or attendance at rallies. This pattern of behavior is visible in countries from Nigeria to Mexico to Indonesia.² 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.³ Daron Acemoglu and James Robinson use the term "extractive" to describe the same phenomenon.⁴ At one stage in human history, all governments could be described as patrimonial, limited access, or extractive.

The question is, How did such political orders ever evolve into modern states? The authors cited above are better at describing the transition than providing a dynamic theory of change. As we will see, there are several forces promoting state modernization. An important one historically was military competition, which creates incentives much more powerful than economic self-interest in motivating political reform. A second driver of change was rooted in the social mobilization brought about by industrialization. Economic growth generates new social groups, which over time organize themselves for collective action and seek to participate in

the political system. This process does not always lead to the creation of modern states, but under the right circumstances it can and has.

POLITICAL DECAY

Following Samuel Huntington's definition, political institutions develop by becoming more complex, adaptable, autonomous, and coherent.⁵ But he argues that they can also decay. Institutions are created to meet certain needs of societies, such as making war, dealing with economic conflicts, and regulating social behavior. But as recurring patterns of behavior, they can also grow rigid and fail to adapt when the circumstances that brought them into being in the first place themselves change. There is an inherent conservatism to human behavior that tends to invest institutions with emotional significance once they are put in place. Anyone who suggests abolishing the British Monarchy, or the American Constitution, or the Japanese emperor and replacing it with something newer and better, faces a huge uphill struggle.

There is a second source of political decay in addition to the failure of institutions to adapt to new circumstances. Natural human sociability is based on kin selection and reciprocal altruism—that is, the preference for family and friends. While modern political orders seek to promote impersonal rule, elites in most societies tend to fall back on networks of family and friends, both as an instrument for protecting their positions and as the beneficiaries of their efforts. When they succeed, elites are said to “capture” the state, which reduces the latter's legitimacy and makes it less accountable to the population as a whole. Long periods of peace and prosperity often provide the conditions for spreading capture by elites, which can lead to political crisis if followed by an economic downturn or external political shock.

In Volume 1 we saw many examples of this phenomenon. China's great Han Dynasty broke down in the third century A.D. when the government was reappropriated by elite families, who continued to dominate Chinese politics throughout the subsequent Sui and Tang Dynasties. The Mamluk regime in Egypt, built around Turkish slave-soldiers, collapsed when the slave-rulers began having families and looking out for their own children, as did the Sepahis and Janissaries—cavalry and infantry—on which

Ottoman power was built. France under the Old Regime sought to build a modern centralized administration from the middle of the seventeenth century on. But the constant fiscal needs of the monarchy forced it to corrupt its administration through the outright sale of public offices to wealthy individuals, a practice known as venality. Through these two volumes, I use a very long word—“repatrimonialization”—to designate the capture of ostensibly impersonal state institutions by powerful elites.

Modern liberal democracies are no less subject to political decay than other types of regimes. No modern society is likely ever to fully revert to a tribal one, but we see examples of “tribalism” all around us, from street gangs to the patronage cliques and influence peddling at the highest levels of modern politics. While everyone in a modern democracy speaks the language of universal rights, many are happy to settle for privilege—special exemptions, subsidies, or benefits intended for themselves, their family, and their friends alone. Some scholars have argued that accountable political systems have self-correcting mechanisms to prevent decay: if governments perform poorly or corrupt elites capture the state, the nonelites can simply vote them out of office.⁶ There are times in the history of the growth of modern democracy when this has happened. But there is no guarantee that this self-correction will occur, perhaps because the non-elites are poorly organized, or they fail to understand their own interests correctly. The conservatism of institutions often makes reform prohibitively difficult. This kind of political decay leads either to slowly increasing levels of corruption, with correspondingly lower levels of government effectiveness, or to violent populist reactions to perceived elite manipulation.

AFTER THE REVOLUTIONS: THE PLAN FOR THIS VOLUME

The first volume of this book traced the emergence of the state, rule of law, and democratic accountability up through the American and French Revolutions. These revolutions marked the point at which all three categories of institutions—what we call liberal democracy—had come into being somewhere in the world. The present volume will trace the dynamics of their interaction up until the early twenty-first century.

The juncture between the two volumes also marks the onset of a third revolution, which was even more consequential—the Industrial Revolu-

tion. The long continuities described in the first volume seem to suggest that societies are trapped by their historical pasts, limiting their choices for types of political order in the future. This was a misunderstanding of the evolutionary story told in that volume, but any implicit historical determinism becomes even less valid once industrialization takes off. The political aspects of development are intimately linked in complex ways with the economic, social, and ideological dimensions. These linkages will be the subject of the following chapter.

The Industrial Revolution vastly increased the rate of growth of per capita output in the societies experiencing it, a phenomenon that brings in its train enormous social consequences. Sustained economic growth increased the rate of change along all of the dimensions of development. Between the former Han Dynasty in the second century B.C. and the Qing Dynasty in the eighteenth century A.D., neither the basic character of Chinese agrarian life nor the nature of its political system evolved terribly much; far more change would occur in the succeeding two centuries than in the preceding two millennia. This rapid pace of change continues into the twenty-first century.

Part I of the present volume will focus on the parts of the world that first experienced this revolution, Europe and North America, where the first liberal democracies appeared. It will try to answer the question, Why, in the early twenty-first century, are some countries, like Germany, characterized by modern, relatively uncorrupt state administrations, while countries like Greece and Italy are still plagued by clientelistic politics and high levels of corruption? And why is it that Britain and the United States, which had patronage-riddled public sectors during the nineteenth century, were able to reform them into more modern merit-based bureaucracies?

The answer as we will see is in some respects discouraging from the standpoint of democracy. The most modern contemporary bureaucracies were those established by authoritarian states in their pursuit of national security. This was true, as we saw in Volume 1, of ancient China; it was also true of the preeminent example of the modern bureaucratic rule, Prussia (later to become the unifier of Germany), whose weak geopolitical position forced it to compensate by creating an efficient state administration. On the other hand, countries that democratized early, before they established modern administrations, found themselves developing clientelistic public sectors. The first country to suffer this fate was the United

States, which was also the first country to open the vote to all white males in the 1820s. It was also true of Greece and Italy, which for different reasons never established strong, modern states before they opened up the franchise.

Sequencing therefore matters enormously. Those countries in which democracy preceded modern state building have had much greater problems achieving high-quality governance than those that inherited modern states from absolutist times. State building after the advent of democracy is possible, but it often requires mobilization of new social actors and strong political leadership to bring about. This was the story of the United States, where clientelism was overcome by a coalition that included business interests hurt by poor public administration, western farmers opposed to corrupt railroad interests, and urban reformers who emerged out of the new middle and professional classes.

There is another potential point of tension between strong, capable states and democracy. State building ultimately has to rest on a foundation of nation building, that is, the creation of common national identities that serve as a locus of loyalty that trumps attachments to family, tribe, region, or ethnic group. Nation building sometimes bubbles up from the grass roots, but it can also be the product of power politics—indeed, of terrible violence, as different groups are annexed, expelled, merged, moved, or “ethnically cleansed.” As in the case of modern public administration, strong national identity is often most effectively formed under authoritarian conditions. Democratic societies lacking strong national identity frequently have grave difficulties agreeing on an overarching national narrative. Many peaceful contemporary liberal democracies are in fact the beneficiaries of prolonged violence and authoritarian rule in generations past, which they have conveniently forgotten. Fortunately, violence is not the only route to national unity; identities can also be altered to fit the realities of power politics, or established around expansive ideas like that of democracy itself that minimize exclusion of minorities from the national community.

Part II of the book also deals with the emergence, or nonemergence, of modern states, but in the context of a non-Western world that had been largely colonized and overwhelmed by the European powers. While societies in Latin America, the Middle East, Asia, and Africa had evolved indigenous forms of social and political organization, they were all of a

sudden confronted with a radically different system from the first moment of contact with the West. The colonial powers in many cases conquered, subdued, and enslaved these societies, killing off indigenous peoples through war and disease, and settling their lands with foreigners. But even when physical force was not the issue, the model of government presented by the Europeans undermined the legitimacy of traditional institutions and cast many societies into a netherworld where they were neither authentically traditional nor successfully Westernized. In the non-Western world, therefore, it is not possible to speak of institutional development without reference to foreign or imported institutions.

There have been a number of theories put forward over the years of why institutions developed differently in different parts of the world. Some have argued that they were determined by the material conditions of geography and climate. Economists have argued that extractive industries like mining, or tropical agriculture favoring large plantations due to economies of scale, promoted the exploitative use of servile labor. These economic modes of production were said to spawn authoritarian political systems. Areas conducive to family farming, by contrast, tended to support political democracy by distributing wealth more equally across the population. Once an institution was formed, it was “locked in” and persisted despite changes that made the original geographical and climatic conditions less relevant.

But geography remains just one of many factors determining political outcomes. The policies undertaken by the colonial powers, the length of time they remained in control, and the kinds of resources they invested in their colonies all had important consequences for postcolonial institutions. Every generalization about climate and geography finds important exceptions: the small Central American country of Costa Rica should have become a typical banana republic, but it is today a reasonably well-governed democracy with thriving export industries and a vital ecotourism sector. Argentina by contrast was blessed with land and climate similar to that of North America and yet has ended up an unstable developing country subject alternately to military dictatorship, wild swings in economic performance, and populist misrule.

Ultimately, geographical determinism obscures the many ways people in colonized countries exercised agency; they played crucial roles in shaping their own institutions despite outside domination. The most

successful non-Western countries today are precisely those that had the most developed indigenous institutions prior to their contact with the West.

The complex reasons for different development paths can be seen most vividly in the contrast between sub-Saharan Africa and East Asia, the worst- and best-performing regions of the world with respect to economic development over the past half century. Sub-Saharan Africa never developed strong indigenous state-level institutions prior to its contact with the West. When the European colonial powers began the “scramble for Africa” in the late nineteenth century, they soon discovered that their new colonies were barely paying for the cost of their own administration. Britain in response adopted a policy of indirect rule, which justified minimal investment on its part in the creation of state institutions. The terrible colonial legacy was thus more an act of omission than of commission. In contrast to areas of heavier political investment like India and Singapore, the colonial powers did not pass on strong institutions, least of all “absolutist” ones capable of penetrating and controlling their populations. Rather, societies with weak state traditions saw their established institutions undermined and were left with little in the way of modern ones to take their place. The economic disaster that beset the region in the generation following independence was the result.

This contrasts sharply with East Asia. As we have seen, China invented the modern state and has the world’s oldest tradition of centralized bureaucracy. It bequeathed this tradition to neighboring Japan, Korea, and Vietnam. This strong state tradition allowed Japan to escape Western colonization altogether. In China, the state collapsed and the tradition was severely disrupted during the revolutions, wars, and occupations of the twentieth century, but it has been rebuilt by the Communist Party in a more modern form since 1978. In East Asian societies, effective public institutions have been the basis of economic success. Asian states were built around well-trained technocratic bureaucracies, which have been given enough autonomy to guide economic development, while avoiding the forms of gross corruption and predatory behavior that have characterized governments in other parts of the world.

Latin America lies somewhere between these extremes. Despite the existence of large pre-Columbian empires, the region never developed powerful state-level institutions of the sort found in East Asia. Existing political structures were destroyed by conquest and disease, and replaced

by settler communities that brought with them the authoritarian and mercantilist institutions then prevailing in Spain and Portugal. Climate and geography facilitated the growth of exploitative agriculture and extractive industries. While most of Europe was similarly authoritarian at this point, the hierarchies in Latin America were marked by race and ethnicity as well. These traditions proved highly persistent, even in a country like Argentina, whose climate, geography, and ethnic composition should have facilitated North American-style equality.

Hence the widely varying contemporary development outcomes among sub-Saharan Africa, Latin America, and East Asia were heavily influenced by the nature of indigenous state institutions prior to their contact with the West. Those that had strong institutions earlier were able to reestablish them after a period of disruption, while those that did not continued to struggle. The colonial powers had a huge impact in transplanting their own institutions, particularly where they could bring in large numbers of settlers. The least developed parts of the world today are those that lacked either strong indigenous state institutions or transplanted settler-based ones.

While Parts I and II deal with development of the state, Part III of this book will deal with an institution of constraint—democratic accountability. This part is considerably shorter than Parts I or II. This is not because I believe that democracy is less important than other aspects of political development. It reflects the fact that a great deal of attention has been paid over the past generation to democracy, democratic transitions, democratic breakdowns, and the quality of democracy. The Third Wave of democracy that began in the early 1970s saw the number of electoral democracies around the world go from 35 to 120 by 2013, and so it is very understandable that a huge amount of scholarly attention has been devoted to this phenomenon. Readers interested in learning about these more recent developments are referred to the many excellent books that have been written on the subject.⁷

Instead of focusing on the Third Wave, Part III will look more closely at the “First Wave,” the period of democratic expansion that occurred primarily in Europe in the wake of the American and French Revolutions. No country in Europe qualified as even an electoral democracy at the time of the Congress of Vienna in 1815 that brought to an end the Napoleonic Wars. The year 1848 saw the outbreak of revolutions in virtually every continental European country and has been compared to the

2011 Arab Spring. The European experience illustrates how difficult the road to real democracy is. Within less than a year of the revolutionary upsurge, the old authoritarian order had been restored virtually everywhere. The franchise was opened only very slowly over the following decades; in Britain, home to the oldest parliamentary tradition, full adult suffrage was not put in place until 1929.

The spread of democracy depends on the legitimacy of the idea of democracy. For much of the nineteenth century, many educated and well-meaning people believed that the “masses” simply did not have the capacity to exercise the franchise responsibly. The rise of democracy thus had much to do with spreading views of human equality.

But ideas do not exist in a vacuum. We live today in a world of globalized and expanding democracy due to the profound changes set in train by the Industrial Revolution. It set off explosive economic growth that dramatically changed the nature of societies by mobilizing new classes of people—the bourgeoisie or middle class, and the new industrial working class. As they became self-conscious as groups with common interests, they started to organize themselves politically and demanded the right to participate in the political system. Expansion of the franchise was usually a matter of grassroots mobilization of these newly emerging classes, which often led to violence. But in other cases it was the older elite groups that promoted democratic rights as a means of improving their own relative political fortunes. The timing of the spread of democracy in different countries therefore depended on the changing relative positions of the middle class, the working class, landowning elites, and the peasantry. Where the old agrarian order was built around large landowners dependent on servile labor, a peaceful transition to democracy became particularly difficult. But in almost all cases the rise and growth of middle-class groups was critical to the spread of democracy. Democracy in the developed world became secure and stable as industrialization produced middle-class societies, that is, societies in which a significant majority of the population thought of themselves as middle class.

Apart from economic growth, democracy worldwide has been facilitated by globalization itself, the reduction of barriers to the movement of ideas, goods, investment, and people across international boundaries. Institutions that took centuries to evolve in one part of the world could be imported or adapted to local conditions in a completely different re-

gion. This suggests that the evolution of institutions has sped up over time, and is likely to continue to do so.

Part III concludes with a view toward the future. If a broad middle class is indeed important to the survival of democracy, what will be the implication of the disappearance of middle-class jobs as a result of advancing technology and globalization?

The fourth and final part of the book will deal with the issue of political decay. All political systems are prone to decay over time. The fact that modern liberal democratic institutions supported by a market economy have been “consolidated” is no guarantee that they will persist forever. Institutional rigidity and repatrimonialization, the two forces contributing to decay in the cases detailed in Volume 1, are present in contemporary democracies.

Indeed, both of these processes are evident in the United States today. Institutional rigidity takes the form of a series of rules that lead to outcomes that are commonly acknowledged to be bad and yet are regarded as essentially unreformable. These include the electoral college, the primary system, various Senate rules, the system of campaign finance, and the entire legacy of a century of congressional mandates that collectively produce a sprawling government that nonetheless fails to perform many basic functions, and does others poorly. Many of the sources of these dysfunctions, I will argue in Part IV, are by-products of the American system of checks and balances itself, which tends to produce poorly drafted legislation (beginning with budgets) and ill-designed handoffs of authority between Congress and the executive branch. The deep American tradition of law moreover enables the courts to insert themselves into either policy making or routine administration in a manner that has few parallels in other developed democracies. It would be possible in theory to fix many of these problems, but most available solutions are not even on the table because they lie too far outside of American experience.

The second mechanism of political decay—repatrimonialization—is evident in the capture of large parts of the U.S. government by well-organized interest groups. The old nineteenth-century problem of clientelism (what was known as the patronage system), in which individual voters received benefits in return for votes, was largely eliminated as a result of reforms undertaken during the Progressive Era. But it has been replaced today by a system of legalized gift exchange, in which politicians

respond to organized interest groups that are collectively unrepresentative of the public as a whole. Over the past two generations, wealth has become highly concentrated in the United States, and economic power has been able to buy influence in politics. The American system of checks and balances creates numerous points of access for powerful interest groups that are much less prominent in a European-style parliamentary system. Although there is a widespread perception that the system as a whole is corrupt and increasingly illegitimate, there is no straightforward reform agenda for fixing it within the parameters of the existing system.

A question for the future is whether these problems are characteristic of liberal democracies as a whole, or are unique to the United States.

I should note at the outset several topics that the present volume will not seek to address. It is not intended to be anything like a comprehensive history of the past two centuries. Anyone seeking to learn about the origins of the world wars or the cold war, the Bolshevik or Chinese Revolutions, the Holocaust, the gold standard, or the founding of the United Nations should look elsewhere. I have chosen instead certain topics within the broad field of political development that I feel have been relatively underemphasized or misunderstood.

This book focuses on the evolution of political institutions within individual societies, and not on international ones. It is clear that the current degree of globalization and interdependence among states means that national states are to a much lesser degree the monopoly providers of public services (if they ever were). Today there are a huge number of international bodies, nongovernmental organizations, multinational corporations, and informal networks that supply services traditionally associated with governments. For many observers, the word “governance” refers to government-like services provided by virtually anything other than a traditional government.⁸ It is also reasonably clear that the existing structure of international institutions is inadequate to provide sufficient levels of cooperation, on issues from the drug trade to financial regulation to climate change. All these are again very worthy topics, but ones that I do not discuss at any length in this book.⁹

This book is backward looking—it tries to explain how existing institutions arose and evolved over time. Although it points to any number of problems that beset modern political systems under the heading of political decay, I avoid overly specific recommendations for fixing them. While I have spent a lot of my life in a public policy world that seeks very

specific solutions to policy problems, this book aims at a level of analysis pointing to their deeper systemic sources. Some of the issues we face today may not in fact have any particularly good policy solutions. In a similar vein, I do not spend any time speculating about the future of the different types of political institutions discussed here. My focus rather is on the question of how we got to the present.

THREE INSTITUTIONS

I believe that a political system resting on a balance among state, law, and accountability is both a practical and a moral necessity for all societies. All societies need states that can generate sufficient power to defend themselves externally and internally, and to enforce commonly agreed upon laws. All societies need to regularize the exercise of power through law, to make sure that the law applies impersonally to all citizens, and that there are no exemptions for a privileged few. And governments must be responsive not only to elites and to the needs of those running the government; the government should serve the interests of the broader community. There need to be peaceful mechanisms for resolving the inevitable conflicts that emerge in pluralistic societies.

I believe that development of these three sets of institutions becomes a universal requirement for all human societies over time. They do not simply represent the cultural preferences of Western societies or any particular cultural group. For better or worse, there is no alternative to a modern, impersonal state as guarantor of order and security, and as a source of necessary public goods. The rule of law is critical for economic development; without clear property rights and contract enforcement, it is difficult for businesses to break out of small circles of trust. Moreover, to the extent that the law enshrines the unalienable rights of individuals, it recognizes their dignity as human agents and thus has an intrinsic value. And finally, democratic participation is more than just a useful check on abusive, corrupt, or tyrannical government. Political agency is an end in itself, one of the basic dimensions of freedom that complete and enrich the life of an individual.

A liberal democracy combining these three institutions cannot be said to be humanly universal, since such regimes have existed for only the last two centuries in the history of a species that goes back tens of thousands

of years. But development is a coherent process that produces general as well as specific evolution—that is, the convergence of institutions across culturally disparate societies over time.

If there is a single theme that underlies many of the chapters of this book, it is that there is a political deficit around the world, not of states but of *modern* states that are capable, impersonal, well organized, and autonomous. Many of the problems of developing countries are by-products of the fact that they have weak and ineffective states. Many appear to be strong in what the sociologist Michael Mann labels despotic power, the ability to suppress journalists, opposition politicians, or rival ethnic groups. But they are not strong in their ability to exercise what Mann calls infrastructural power, the ability to legitimately make and enforce rules, or to deliver necessary public goods like safety, health, and education.¹⁰ Many of the failures attributed to democracy are in fact failures of state administrations that are unable to deliver on the promises made by newly elected democratic politicians to voters who want not just their political rights but good government as well.

But weak states are not merely the province of poor developing countries. Neither Greece nor Italy ever developed high-quality bureaucratic administrations; both remained mired in high degrees of clientelism and outright corruption. These problems have contributed directly to their woes in the current euro crisis. The United States, for its part, was one of the last developed countries to put in place a modern state administration, having been characterized as a nineteenth-century “state of courts and parties” in which bureaucracy played a very minor role. Despite the growth in the twentieth century of an enormous administrative state, this characterization still remains true in many ways: courts and political parties continue to play outsized roles in American politics, roles that are performed by professional bureaucracies in other countries. Many of the inefficiencies of American government stem from this source.

Particularly over the past generation, thinking about states and the effective use of state power has not been a popular preoccupation. The experience of the twentieth century, with its history of maniacal totalitarian regimes from Stalin’s Russia to Hitler’s Germany to Mao’s China, has understandably focused the attention of much of the world on the misuse of overweening state power. This is nowhere more true than in the United States, with its long history of distrust of government. That distrust has deepened since the 1980s, which began with Ronald Reagan’s assertion

that “Government is not the solution to our problem, government *is* the problem.”

The emphasis on effective states should in no way be construed as a preference on my part for authoritarian government, or particular sympathy with regimes like those of Singapore and China that have achieved seemingly miraculous economic results in the absence of democracy. I believe that a well-functioning and legitimate regime needs to achieve balance between government power and institutions that constrain the state. Things can become unbalanced in either direction, with insufficient checks on state power on the one hand, or excessive veto power by different social groups on the other that prevent any sort of collective action. Few countries can decide to turn themselves into Singapore, moreover; replacing a poorly administered democracy with an equally incompetent autocracy buys you nothing.

Nor should this book’s emphasis on the need for effective states be construed as a preference for a larger welfare state, or “big government” as it is understood in American political discourse. I believe that virtually all developed democracies face huge long-term challenges from unsustainable spending commitments made in years past that will only increase as populations age and birth rates decline. Much more important than the size of government is its quality. There is no necessary relationship between big government and poor economic outcomes, as one can see *prima facie* by comparing the large welfare states of Scandinavia to the minimalist governments of sub-Saharan Africa. There is, however, a very powerful correlation between the quality of government and good economic and social outcomes. Moreover, an expansive state that is nonetheless perceived as effective and legitimate will have a much easier time downsizing and reducing its own scope than one that is excessively constrained, feckless, or unable to exercise real authority.

This volume will not provide any straightforward answers, and certainly not any easy ones, to the question of how to improve the quality of government. That is something I have written about in other contexts. But one cannot begin to understand how bad governments might become good ones unless one understands the historical origins of both.