
Review: Why "Why Nations Fail" is Not in the Same League as "The Social Origins of Dictatorship and Democracy"

Reviewed Work(s): Why Nations Fail: The Origins of Power, Prosperity, and Poverty by Daron Acemoglu and James Robinson

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Source: *Philippine Sociological Review*, January-June 2013, Vol. 61, No. 1, SOCIOLOGY AND INTERDISCIPLINARITY (January-June 2013), pp. 251-257

Published by: Philippine Sociological Society

Stable URL: <https://www.jstor.org/stable/43486363>

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Book Review

WALDEN F. BELLO

Why Nations Fail is Not in the Same League as *The Social Origins of Dictatorship and Democracy*

Review of *Why Nations Fail: The Origins of Power, Prosperity, and Poverty*.
Acemoglu, Daron and James Robinson. 2012. New York: Crown Publishers.
544 pages.

It is a puzzle to me why Daron Acemoglu and James Robinson's *Why Nations Fail* has received the worshipful accolades it has elicited from reviewers.

DUBIOUS CLAIMS

This is not so much because of dubious claims or half-truths, of which there are a number. For instance, in accounting for the transition from

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The Setting Sun over Metro Manila. (Photo by Bob Guerrero)

military dictatorship to liberal democracy, the authors claim that, “The key influence of the United States, particularly given the threat from North Korea...meant that the strong democracy movement that challenged the military dictatorship could not be repressed for long.” Wrong, as anyone with some acquaintance with post-World War II Korean history would point out: the United States was one of the firmest backers of the military dictatorships of Park Chung Hee, Chun Doo Whan, and Roh Tae Woo, motivated precisely by its fear of North Korea and Communism. Or take the authors’ take on Mao Zedong. Mao, they say, had nothing to do with China’s recent economic success. Rather, the country’s development stems from “a process of economic transformation unleashed by Deng Xiaoping and his allies, who, after Mao Zedong’s death, gradually abandoned socialist economic policies and institutions, first in agriculture and then in industry.” Any serious student of modern Chinese history would brand such a statement as one-sided. Indeed, one would have thought that as advocates of the perspective that change in political institutions lay the ground for change in economic institutions, the authors would have realized that without Mao’s freeing the China from western control, his creation of a strong national government underpinned by a disciplined political party, and the domestic revolutionary process he unleashed that swept away traditional elites, Deng Xiaoping’s transformative pro-market policies would not have had the necessary political and social prerequisites for success. There might have been false starts, but there was no Chinese wall between Mao’s state building and social transformation and Deng’s unleashing of China’s economic potential. Between the two processes were institutional linkages that could not be broken by Mao’s unfortunate experiments, the Great Leap Forward and the Cultural Revolution.

Such misstatements of facts and analytical lapses are not, however, the main reason one is dissatisfied with *Why Nations Fail*. My biggest problem with this work lies in its methodology.

CONTRASTING METHODOLOGIES

During a talk by James Robinson in Manila a few months ago, I asked if he had read Barrington Moore’s *The Social Origins of Dictatorship and Democracy: Lord and Peasant in the Modern World*. He said he had, and, in fact, the book was a work he greatly admired.

Rightly so, since Moore's work was a tour de force, one of the greatest feats of interdisciplinary research and historical sociology in the last fifty years. With a flexible and sophisticated deployment of class analysis, Moore sought to answer the question: what accounts for the different political routes—democratic, fascist, and communist—to the modern world taken by different developing societies?

Moore's answer was complex. Where peasants are not eliminated from the land by a thoroughgoing transformation of agrarian relations of production by capitalism, they constitute a revolutionary force that provokes a reaction from pre-capitalist landed elites that employ the state for repression and engage in a defensive capitalist modernization by which they seek to maintain dominant power within a class structure that is becoming more complex. And what determines whether peasants remain a force to be reckoned with? This is mainly the strength of a rural bourgeoisie within a society being transformed by capitalist relations of production, with stable democratic outcome being associated with a strong agrarian bourgeoisie in England, an unstable democracy emerging in France, where the rural bourgeoisie was coopted by the aristocracy, and an authoritarian regime developing in Germany, where agrarian transformation strengthened a landed military aristocracy at the expense of the bourgeoisie, both urban and rural.

Moore's explanation was quite nuanced, taking into consideration the role of different political traditions, such as the ancient rights of the aristocracy that became the basis for the later articulation of democratic rights in England and decisive political events like the beheading of Charles I, which enshrined the primacy of parliamentary over royal authority. But acting as the primal force disarticulating social structures and rearticulating them in complex novel ways was the spread of capitalist relations of production. As far as I know, Moore was no Marxist in terms of ideological affiliation, but he certainly was one of the most sophisticated practitioners of the class methodology bequeathed by Marx.

Moore's methodology was to approach his problematique from different angles, with theoretical understanding becoming richer, though not always clearer, after each iteration. The result was a work that elucidated the uniqueness of a social formation that had both shared and different dynamics from other societies undergoing the same societal sea

change called capitalist transformation. This methodological approach became the basis for insightful comparative analysis.

One looks in vain for lessons learned from Moore in Acemoglu and Robinson's *Why Nations Fail*, which purports to explain why some societies successfully tread the road to development and others don't. Capitalism as a historically emergent mode of production that interacts in complex fashion with other modes of organizing economic life and with the political and social structures of concrete social formations is almost completely absent. Indeed, the word "capitalism" is not found in the text or in the index.

Instead of the articulation of capitalist economic relations with pre-capitalist class and political structures that provide such a wealth of insights in Moore—for instance, as to why, for instance, Japan developed a militarist authoritarian structure in a manner similar to Germany—we have Acemoglu and Robinson coming up with the static, abstract correlation of "extractive economic institutions" with "extractive political institutions," and "inclusive economic institutions" with "inclusive political institutions."

Using these essentially theoretically barren concepts, the authors claim to range far and wide to explain the political and economic dynamics of societies as different as the Aztecs, the Roman Empire, the African kingdom of Kongo, post-colonial Latin America, Great Britain, the United States, South Korea, and China. Extractive economic institutions and extractive political institutions for the most part coexist in history and this correlation is "path dependent." But the path dependence and correlation is sometimes broken, owing to the accumulation of "small differences" that become decisive at "critical junctures." This was the case, for instance, in 17th century England, according to the authors.

EXPLAINING 17TH CENTURY ENGLAND

Since 17th century England plays such a crucial role in history of social transformation in the accounts of both Moore and Acemoglu and Robinson, it is instructive to contrast the ways they analyze the economic and political dynamics of that period. For Acemoglu and Robinson, the English transition to more inclusive institutions was driven mainly by series of political developments, notably the battle between Parliament and the King that resulted in more pluralistic institutions that "laid the foundations" for

more inclusive economic institutions. The analysis of this dynamics is carried out at a rather abstract level. For Moore, on the other hand, the battle between Crown and Parliament was critical, but it was a process that interacted with a deeper, more comprehensive process of capitalist transformation of the countryside in which a section of the aristocracy that became dependent on sheep raising to produce wool developed a commercial orientation, bringing it into conflict with the more traditional, feudal sectors of the aristocracy that were dependent on the extraction of rent. This conflict, interacting in complex ways with ideological and political structures, was at the heart of a historical process--the high points of which were the English Civil War, which saw the beheading of Charles I, and the Glorious Revolution of 1688 that saw the final triumph of Parliament over the King. The triumph of agrarian capitalism led to the elimination of the peasantry, foreclosed the possibility of an agrarian elite reaction as in Germany, paved the way for capitalist industrialization, and resulted eventually in a more diverse class structure that underpinned and consolidated liberal democratic institutions.

Moore's analysis is complex, and more often suggestive than definitive, with the causal chain often not quite clear. Though it raises more questions than answers, however, it is extremely productive when it comes to yielding insights. Acemoglu and Robinson start out with a simplistic theoretical proposition, "Extractive political institutions lead to and go together with extractive economic institutions, but occasionally departures take place owing to the interaction of accumulated small differences at critical junctures." They then proceed to hammer thousands of years of human history to fit the theory. Like every great work of social theory, Moore's approach is open-ended, triggering new avenues of theoretical exploration and research, inviting analysts to affirm or disprove its theoretical and empirical claims. Acemoglu and Robinson's begin with a banal abstract proposition and, lo and behold, after allegedly testing it on scores of societies that have existed in history, conclude with a resounding affirmation of the same banal abstract proposition.

THE GOLD STANDARD

So back to my question, why have reviewers showered this book with fawning, often uncritical praise? The only answer I can give is that there

has long been a hunger for ambitious comparative history that skillfully cuts through disciplinary barriers that we have probably lowered the bar when judging contemporary works. Acemoglu and Robinson probably deserve an A for effort, but *Why Nations Fail* is nowhere near the gold standard represented by Barrington Moore's magisterial work.