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Paths to the Periphery

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ABSTRACT

My research suggests that world inequality is explained by the incidence of extractive and inclusive institutions. But why do some countries have extractive institutions? I distinguish between two main reasons; first, power relations; second, the "normative order." Normative orders provide justifications and legitimacy for institutions which may not generate prosperity, but may achieve other goals. These distinctions are critical because they create very different challenges in trying to make institutions more inclusive and create prosperity. I show how countries move from the economic periphery as a consequence of changing both. My own intellectual journey has been in the other direction, however, hence the title of the paper: I was fortunate to be born in Britain, but I have had to unlearn much of my own experience, socialization and training in order to see other societies on their own terms. That's crucial to be able to help them, but also to learn from them.

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1 Introduction: Institutions, Prosperity and the 300

In the research for which I was awarded the Nobel Prize along with Daron Acemoglu and Simon Johnson, we established the causal relationship between economic institutions and prosperity. In particular, we showed that the preponderance of differences in the levels of income per-capita between poor and rich countries could be explained by differences in their institutions. In our early papers, following the emphasis of (North and Thomas, 1973) and (North and Weingast, 1989), we measured economic institutions by a measure of the security of property rights ("absence of expropriation risk"). In subsequent work (Acemoglu et al., 2014) we instead used a measure of the rule of law. The rule of law has a particular property that is critical for prosperity - it is inclusive in the sense that the same rules apply to everyone. In Acemoglu and Robinson (2012), therefore, to highlight this, we introduced the terminology of "inclusive institutions" to refer to the package of economic institutions that create broad-based patterns of incentives and opportunities, like the rule of law. We distinguished those from "extractive institutions" that concentrate economic incentives and opportunities narrowly.

Figure 1, from Acemoglu et al. (2014) shows a scatterplot between a measure of the rule of law in 2005 from the World Bank's Worldwide Governance Indicators and the level of GDP per-capita also in 2005. There is a very strong positive relationship. Our research focused on establishing that better rule of law *caused* countries to be more prosperous.

That inclusive economic institutions are associated with investment, saving, innovation and economic growth is familiar to every economist, even if implicitly assumed in textbook presentations of economic theory. The puzzle is: why does any country ever have extractive institutions? Why would a society end up with institutions that fail to create the incentives and circumstances that generate the actions that every economist knows induce prosperity?

The answer we developed in our early work, and the narrative behind Acemoglu et al. (2001) and Acemoglu et al. (2002), is that this is due to politics and power relations.[1] In particular, economic institutions are a collective choice and therefore the outcome of a political process in which some have more power than others. Inclusive institutions may make a society rich, but they also have distributional consequences, and there is no reason why those with power would find it in their self-interest to make society inclusive.

To give one concrete example of what we had in mind, during fieldwork in Zimbabwe in 2017 I had breakfast with the CEO of a subsidiary of a large multinational company. I was trying

[1] A lot of our early theoretical work focused on providing microfoundations for the relationship between power and poverty, see Acemoglu and Robinson (2000), Acemoglu and Robinson (2006), and Acemoglu and Robinson (2008).

to understand the political incentives and mechanisms that had led to extractive economic institutions in the country, leading it to be substantially poorer today than it was at the time of independence in 1980. Indeed, as Figure 2 shows, real income per-capita in the country is over 10% lower than it was in 1980 and similar to what it was 60 years ago. Even by the standards of Sub-Saharan Africa, the economic performance is terrible. At some point in the conversation the CEO looked up at me and said: "I really don't know what your problem is, it really isn't complicated, what is it that you can't understand?" With the wind taken completely out of my sails I paused and waited for them to spell it out: "Look" they said, "there's plenty of money in this country for 300 people." Extractive institutions may be highly desirable for some people and if they have the power they can create and sustain them even if it impoverishes society.

In Acemoglu et al. (2001) and Acemoglu et al. (2002) the 300 were European colonists, or rather 168 if you take the number of Spaniards who accompanied Francisco Pizarro in his expedition of conquest to Perú in 1532 (Lockhart, 1972, p. xiii). But a few colonists doesn't always lead to the type of extractive institutions Pizarro created in Perú or Cecil Rhodes originally created in Zimbabwe. In 1607, 104 Europeans began the Jamestown colony in Virginia (Taylor, 2001, p. 130), and a very different type of society emerged from there. In fact, following the emphasis of Engerman and Sokloff (1997), differential initial conditions led to very different types of political processes and divergent institutions. In places like Zimbabwe or Perú, where there were dense populations of indigenous peoples to exploit and natural resources, like silver or prime agricultural lands which could be farmed with coerced labor, extractive institutions tended to emerge. Where neither of these were present, Europeans had to build a society on their own and inclusive institutions became much more likely (this historical process in the Americas is described in detail in Acemoglu and Robinson (2012)).

We also exploited the historical disease environment facing Europeans as a source of variation in the type of colony that emerged. Extractive institutions were prone to be created in places where the disease environment made European colonization relatively unattractive.

Nevertheless, in Acemoglu et al. (2002), even when these initial conditions, specifically historical disease environment and indigenous population density, were taken into account, these factors only account for about 30% of the variation in economic institutions in the dataset.

In this essay I want to focus on the other 70% of the variation and in particular discuss how there are different reasons that societies have extractive institutions. I have come to the conclusion that these other reasons are important due to my own intellectual journey since we wrote those early papers. Critical was my recognition that I needed to know much more about

the workings of countries with extractive institutions, their histories, institutions, and cultures than I did. There is only so much one can learn from books, immediate colleagues and students. There is data, but data has to be interpreted. Through what lens (McGovern (2011) for a brilliant discussion of this issue)? One can write down models, but models of what? Of which mechanisms? How do you know? As the philosopher David Hume put it:

> Every one will readily allow that there is a considerable difference between the perceptions of the mind, when a man feels the pain of excessive heat, or the pleasure of moderate warmth, and when he ... anticipates it by his imagination. These faculties may mimic or copy the perceptions of the senses; but they can never entirely reach the force and vivacity of the ... sentiment (Hume, 1993, pp. 9-10).

Hume is arguing that there is a big difference between experiencing something and imagining it, or being told about it. This is certainly my experience. To understand the real problems and opportunities in other societies you have to study them up close and not do so with preconceived questions or answers, but with an open mind. In particular, for those of us who grew up in wealthy western societies, you have to avoid thinking of them as failed versions of your own community. You have to recognize that there are many different ways to organize a society and many goals that individuals and groups can aspire to. In short, you have to study them on their own terms (in insight originally articulated by Polanyi (1944) and Finley (1973)).

In that journey, as I shall illustrate and as I had re-confirmed to me in Harare 2017, power relations are critical to understanding poverty. But I have also learned that this is not the only source of extractive institutions. Let me first illustrate what I mean by this by focusing on the rule of law and showing that there are different ways in which the rule of law can be absent.

2 The Absence of the Rule of Law

2.1 China

After he died in 479 BCE, the students of the philosopher Confucius collected his aphorisms in a book known as the *Analects*. These laid out Confucius' philosophical system. One adage records

> The Duke of She said to Confucius, "Among my people there is one we call 'Upright Gong.' When his father stole a sheep, he reported him to the authorities." Confucius replied, "Among my people, those who we consider 'upright' are different from this:

> fathers cover up for their sons, and sons cover up for their fathers. 'Uprightness' is to be found in this (Confucius, 2003, p. 147).

Confucius argues here that one's first loyalty is to one's family, not to an abstract rule of law. 'Upright Gong' got it wrong. In fact, Confucius' whole philosophy emphasized "filial piety" and that to improve the governance of society, one had to begin at home. Each individual had to "rectify themselves" and behave virtuously. This entailed due respect, particularly for senior members of the family. It was this respect which Upright Gong had violated. If this could be achieved, then virtue would ripple outwards from an individual to the family and from there all the way up to the state. As a famous image has it, an individual relates to society "Like the ripples formed from a stone thrown into a lake" (Fei, 1992, p. 65). A later Confucian text, the *Great Learning*, puts it like this

> Their thoughts being sincere, their hearts were then rectified. Their hearts being rectified, their persons were cultivated. Their persons being cultivated, their families were regulated. Their families being regulated, their States were rightly governed. Their States being rightly governed, the whole kingdom was made tranquil and happy (Legge, 1893, pp. 358-359).

These Confucian principles are therefore not consistent with the rule of law as that expression is commonly used, to mean that everyone is subject to the same set of rules. In a Confucian society different rules apply to different people. But this is a side-product of a set of philosophical, normative, principles. Let me contrast this with an example from Colombia.

2.2 Colombia

Though Colombia is not a very poor country by world standards there are very stark differences in the levels of prosperity and institutional quality between different parts of the country. In particular, there is a distinct periphery along the Pacific and Caribbean coasts and in the eastern planes (see Robinson (2016) for an analysis of the political economy of peripheral Colombia). In 2010 Riopaila-Castilla, a sugar company from Valle del Cauca, created 28 SASs (Anonymous Simple Societies) with the help of the Bogotá law firm Brigard and Urrutia and bought up 42,000 hectares land in the eastern department of Vichada (Oxfam (2013) for the details).

The creation of a large number of shell companies, which existed only as vehicles to acquire land, allowed Riopaila to game the land reform laws which were designed to limit the amount of land any one entity or person could acquire. The SASs bought up lands which had previously

been allocations of baldío, frontier land which was owned by the government, and which they then sold on to be re-concentrated in the hands of Riopaila. Such tactics also allowed Luis Carlos Sarimento, the richest man in Colombia and with interests in Riopaila, to acquire 16,000 hectares for himself. Not only Colombians took advantage of this system. Cargill the US-based multinational corporation through Black River, an investment fund, created 36 SASs and bought 53,000 hectares in Vichada.

In an interview on La W radio a lawyer from Brigard and Urrutia was asked by a journalist

> The question is: did you have to "stretch"" the law so you could buy and keep the land? Brigard and Urrutia: The law is there to be interpreted. Here they are not white or black.[2]

Completely unrepentant, the lawyer defended the creation of the shell companies on the grounds that Colombian law is not "white or black."

How did the land get to the SASs? Who did they buy it from? The Appendix of Oxfam's Report revealingly lists the people from whom the land was bought in a few cases they could investigate. These were clearly not peasants, but local elites who had "acquired" the land from the peasants who had received allocations of baldío from the government. On average, the Cargill companies paid approximately US $800 per hectare while the average purchase price prior to 2006, paid by the local elites, was only US $24 per hectare. The average price had multiplied by 33 (Oxfam, 2013, p. 19).

The most likely explanation for these price differentials is that the land was in effect expropriated by armed actors. As the paramilitary commander El Alemán ("The German") (Freddy Rendón Herrera) sarcastically put it in the context of a subsequent law to try to restitute lands which had been illegally acquired

> Today these peasants are reclaiming what they sold cheaply, fine, but they sold them, and the businessmen, bought them, cheaply, fine, but they bought them. (Franco and Restrepo E., 2011, p. 316).

The combination of characters like El Alemán, Riopaila and Brigard and Urrutia all working together to exploit the periphery is what they call in Colombia "the Orangutan in the Tuxedo." By this is meant that in Colombia respectable elites wearing tuxedos (like Brigard and Urrutia) find common interest with armed thugs like El Alemán (Orangutans), to exploit society (Gutiérrez Sanín, 2015).

[2] 25http://www.wradio.com.co/noticias/actualidad/abogado-de-la-rma-brigardurrutia-rompe-su-silencio-en-la-w/20130614/nota/1915927.aspx

3 Normative Orders

While it may be true that the absence of the rule of law is inimical to prosperity, as our empirical evidence shows, these examples illustrate that the rule of law can be missing in very different ways. In the Chinese (Confucian) case the absence of the rule of law stems from a normative order which emphasizes that kin should be put before the law. It is normative in the sense of there being a criterion or principles which determine how things *should* work or be organized. In Colombia there appears to be no such normative order or at least the activities of actors like Brigard and Urrutia, Riopaila and El Alemán appear to have been completely driven by naked self-interest rather than being justified by any notion of "what ought to happen."

3.1 Is There a Normative Order in Colombia?

The discussion sections 2.1 and 2.2 raises the issue of what the normative order is in Colombia, or indeed if there is one. My answer is that there is, but it is not reflected in the equilibrium in Vichada, or most of peripheral (or even central) Colombia. Evidence for this claim comes from my research with Leopoldo Fergusson and José-Alberto Guerra on the nature and consequences of anti-social norms in Colombia (Fergusson et al., 2024). We define an anti-social norm to be one that most people disapprove of normatively yet expect to be adhered to by a majority in equilibrium. In our work we study a specific social norm that is a good candidate to fit this definition": *no sea sapo*, literally "don't be a toad." This social norm, which we document is widely appealed to in Colombia, is used in response to someone who is trying to correct socially inappropriate behavior.

The focus of this investigation makes salient the fact that the absence of the rule of law is not simply about whether or not people obey laws, but also whether or not the broader social norms can help induce law abiding and pro-social behavior. Hence "institutions" here means both formal institutions, like the constitution and written laws, and also informal institutions. As North put it "a moment's reflection should suggest to us the pervasiveness of informal constraints ... codes of conduct, norms of behavior, and conventions" (North, 1990, p. 36).

Our research studied the impact of this norm in a standard experimental environment — the dictator game with third-party punishment (Fehr and Fischbacher, 2004). In this game, a dictator shares an endowment between themselves and a receiver who takes no action but simply receives a share of the endowment. This division is observed by a third player who can punish the dictator if they believe that the chosen division of the endowment is inappropriate or unfair. This seems to be precisely the context to study the implications of "don't be a toad." The norm

is almost designed to break the enforcement mechanism that facilitates more fair collective and other socially desirable outcomes through third-party punishment. "Don't be a toad" conveys that you should mind your own business and not correct other peoples' behavior, even if they are acting in an anti-social (unfair) way.

We show that just allowing players to appeal to the norm when punished by third-parties, simply introducing it to the extensive form of the game, significantly impacts equilibrium play. Specifically, it reduces the fairness of dictators and also deters third parties, who anticipate they may be called *sapos*, from punishing unfair behavior.

Most relevant for the present discussion, we used incentivized methods to both recover peoples' expectations about whether or not dictators would call those who punish them *sapos*, and also to elicit peoples' normative views about the use of the *sapo* norm. We found that 55% of receivers expect dictators to appeal to the norm if punished by third parties. Yet, at the same time, around 80% of both receivers and third-parties thought that the normatively appropriate thing for a dictator to do is be fair, to share equally, that it is appropriate for third parties to punish unfairness, and that it is *inappropriate* to evoke the *sapo* norm.

Hence, even though people expect a majority of dictators who are punished to call the punisher a *sapo*, an overwhelming majority regard this to be normatively inappropriate. Indeed, they think it is appropriate both to be fair and to punish unfairness (see Cárdenas et al. (2009) for comparative evidence on the normative attitudes and pro-sociality of Latin Americans).

What we found in our experiments is that there is a clear normative order in Colombia, but the equilibrium is different. It is simple to rationalize such a situation theoretically, and the existence of an anti-social norm in equilibrium, in a model where agents have both normative preferences but care about the material payoffs from playing a social dilemma game. If the payoff from "cheating" in the social dilemma is sufficiently high, people may do so even if they recognize this is normatively wrong (see Fergusson et al. (2024)).

Returning to the rule of law in Colombia what this research suggests is that part of the trouble is that nobody corrects the anti-social behavior of Brigard and Urrutia for fear of being called *sapos*.

3.2 What do I mean by Normative Orders?

I mean that there is a logic to the equilibrium in China which is lacking in Colombia. The particular nature of the Chinese normative order stems from a distinct ontology. Ontology is a branch of metaphysics that studies the nature of reality - "what there is." Social psychologist Richard Nisbett, for example, presents a great deal of experimental evidence on the difference

in the ways westerners and East Asian people react in different experiments and concludes

> members of different cultures differ in their "metaphysics," or fundamental beliefs about the nature of the world (Nisbett, 2004, p. 6).

Chinese society is typically thought to be based not on individuals, but on relationships and communities. Fei says that the basis of the society "is not the individual but the group" (Fei, 1992, p. 40). The experiments of Nisbett (2004) show that the perceptions of East Asians are very different from westerners, and in particular they "see" the collective, rather than the individual. It is what there is. The aphorisms of Confucius reflect this because people see themselves first and foremost as part of a family and wider lineage.

Normative differences are not restricted to ontological or metaphysical differences, they can also be ethical or epistemological (see Baggini (2019) for a very readable introduction to some of the issues and facts).

The economic implications of the Urangutan in the Tuxedo in Colombia are obviously negative. But what about the Confucian normative order? Given its implications for the rule of law, couldn't the resulting normative order have adverse effects on the economy even if very different motivated from the Colombian case? Couldn't the undermining of more universal criteria negatively influence incentives? The plausible answer is yes.

4 Trade-Offs

In a lot of my research, I have come to understand the reality of the different normative orders in various parts of the world. I have also come to recognize that there can be many economic trade-offs involved in the sense that there is a contradiction between what the normative order requires and what economic efficiency necessitates. A seminal example is due to the economists Markus Goldstein and Christopher Udry. They studied agricultural productivity in rural Ghana and showed that this is significantly reduced by the traditional agrarian institutions. In particular, to maintain the fertility of the soil, land must be fallowed. However, people gain access to land not because they own it, but because they have rights of access through the collective institutions of families, matrilineages, or the village. If they fallow their land, their rights may not be sufficient to stop chiefs or elites re-allocating the land to someone else. The anticipation of this leads people to forgo fallowing so as to maintain their de facto property rights. Goldstein and Udry (2008) convincingly estimate that this has large negative effects on productivity.

Yet this traditional system of land onwership is not some irrational feature of underdevelopment waiting to be modernized. It is part of a normative order with significant other

benefits, for example, it provides insurance (a point developed in Pande and Udry (2006)). It also has a strong egalitarian aspect - as Christopher Udry points out (personal communication), there is no such thing as a landless person in rural Ghana. Finally, as Robinson (2026) argues, it is designed to fortify and perpetuate key aspects of the society that people value.

The normative order that justifies agrarian institutions in rural Ghana is obviously different from the Confucian order studied so far. There are many mechanisms that lead normative orders to stipulate institutions or practices that deviate from those which maximize productivity. Such trade-offs have arisen in many of my own research projects into the nature of extractive institutions.

4.1 Segmentary Lineage Societies

For example, in Moscona et al. (2020) I studied with Jacob Moscona and Nathan Nunn some of the consequences of a type of social organization in Africa known as a "segmentary lineage society." This is a society whose central organizing principle is kinship. Traditional Somali society would be a canonical example. Using ethnographic sources we argued that such a society had three key properties. First, the society must be based on unilineal descent and people identify with their lineages and are aware of their genealogical connections to members of other sub-groups. By unilineal descent we meant a kinship system where ones' ancestry is determined either through ones' mother or father. Patrilineal and matrilineal descent are both examples of systems of unilineal descent. Second, the segments of the lineages must take on a 'corporate form,' which means that branching lineage segments must determine administrative functions and political allegiances and a centralized political authority entirely divorced from the lineage structure does not exist. Third, lineage and genealogical relationships affect where people live, with those who are more closely related living geographically closer to one another. The Somalis clearly satisfy all three requirements and their system of descent is so elaborate that all Somalis trace their descent to a unique ancestor - Somali. But so did quite a few other African peoples. Perhaps the most famous such society is the Nuer of South Sudan studied by the anthropologist Edward Evans-Pritchard in the 1920s and 1930s (Evans-Pricthard, 1940).

Moscona, Nunn and I used ethnographic materials to code which societies definitely were or were not segmentary lineage societies. We managed to identify 74 that definitely were and 71 that were not. An interesting cross-cutting feature of these societies is whether or not they were politically centralized or had state-like institutions. Neither Somali nor Nuer society had anything like this. They hardly had any political structure at all apart from the lineages and elders acting within them. In fact, their societies were organized so as to avoid the emergence

of political authority while at the same time to find common ground.

This avoidance, and what the historian Jan Vansina calls the "refusal" of centralization, is a common aspect of political culture in Africa (Robinson, 2026). As Vansina puts it

> the ability to refuse centralization while maintaining the necessary cohesion among a myriad of autonomous communities has been the most original contribution of western Bantu tradition to the institutional history of the world (Vansina, 1990, p. 237).

Segmentary lineage societies combined this refusal with cohesion in a particular way. The secret was the dualism of the collective identity of descent from a common ancestor (Somali) and the segmentary structure. As anthropologist Ioan Lewis observed "every ancestor in the genealogies is a point" not just "of unity" but also "of potential division." He points out how one can be "baffled by the shifting character of the nomad's political allegiance and puzzled by the fact that the political and jural units with which he acts on one occasion he opposed on another" (Lewis, 1961, p. 7). The structure Lewis outlines stopped any political centralization emerging amongst the Somalis because it pitted one "segment" of the kinship system against another. For example, if centralization was to emerge then one segment might have to be able to tell the other what to do. But if they tried to do this the opposing segment would immediately see this as a threat and try to stop it. However, the structure also simultaneously gave the segments something in common - they were all part of a very big extended family descended from Somali.

But it is not the case that segmentary lineage societies are always as decentralized politically as the Somali or Nuer. In some circumstances, as I will show, state institutions could be merged with lineage structures to create "segmentary states" (a terminology due to Southall (1953)).

Moscona, Nunn and I were interested in the question as to whether segmentary lineage societies experienced more conflict than societies organized differently. To measure conflict we used information from the Armed Conflict Location and Event Data Project (ACLED) database, which provides detailed information about many different types of conflict events within Africa. Our data was between January 1, 1997 to December 31, 2014. The types of conflict events which are recorded include riots and protests, battles and violence against civilians. The dataset also records the identity of the actors involved, for example government forces, rebel militias, civilians, or protestors. Information, if available, on the motivation of the actors involved is also reported. Finally, the number of fatalities during the event is coded along with the location (the latitude and longitude).

We found overwhelming evidence that segmentary lineage societies experienced higher levels of all types of conflicts. The size of the effects are large, with segmentary lineage societies having about 50% more conflicts than non-segmentary lineage societies. They also experienced conflicts which are bigger in scale and which last longer. The reason for this seems to be that segmentary lineage societies are very good at using their kinship ties to mobilize a lot of people quickly.

So this is a real trade-off. The organization of such societies did have desirable properties, it maintained the autonomy of the people and it was able to resolve many problems, but ultimately one of the side effects was greater levels of conflict (as originally conjectured by Sahlins (1961)).

4.2 The Ruling Families of Sierra Leone

Another example of trade-offs comes from my work with Daron Acemoglu and Tristan Reed in Sierra Leone. In Acemoglu et al. (2014) we examined the variation in the number of ruling houses across chieftaincies caused primarily by the amalgamation of chieftaincies in the 1940s. To become a paramount chief of a chieftaincy in rural Sierra Leone one has to be born into one of the local ruling families. Chiefs are elected for life from amongst eligible candidates. In the early colonial period chieftaincies were formed by the British to act as the "native administration" in a system of "indirect rule" whereby the British governed their African colonies indirectly through "traditional" African rulers. They were created on the basis of pre-colonial polities. As Goddard put it in 1926

> The chiefs are territorial rulers and have jurisdiction, derived from their former pure native jurisdiction and confirmed by the Government (Goddard, 1926, p. 83).

This process also fixed the number of ruling families who were the pre-existing African elites. But in the 1940s the British decided that many of the chieftancies were too small and decided to amalgamate some of them. This created variation in the number of ruling families across chieftaincies. Ranging from one, where aspirants for the paramount chieftaincy had to be from a single family, to a maximum of twelve who could all compete for the single position of paramount chief.

We showed that a greater number of ruling families tended to disorganize the chieftaincy in the sense that chieftaincies with higher numbers of ruling families had lower levels of social capital: people were less involved in collective activities; they were less likely to attend a community meeting; less likely to be members of different groups; and less likely to take part in collective activities such as road brushing. They also disengaged from traditional institutions such as secret societies and were less likely to be part of a labor gang, a modern incarnation of a

traditional way of mobilizing labor for work. I would interpret this as saying that the disruption in the traditional organization of the country's polities, probably as a result of making ruling families compete for the chieftaincy, led to a deterioration of the traditional institutions. In effect, amalgamation was a perturbation to the institutions that led to an erosion of the normative order.

What were the implications for prosperity? We found that the greater the number of ruling families, the better were economic outcomes, particularly with respect to educational attainment. This is another example of a trade-off. Economic institutions in rural Sierra Leone are probably not organized to experience rapid economic growth. In many ways they mirror those that Goldstein and Udry studied in Ghana. Re-organizing society would likely be associated with higher levels of productivity and prosperity, as we found. But whether it made Sierra Leoneans better off is another matter, since it was not they who designed this re-organization. Rather it was imposed on them by British colonial authorities. Indeed, when they got the chance to reverse the colonial process, as they recently did, they widely supported the de-amalgamization of the chieftaincies.

5 The Ontology of African Society

5.1 The Kuba Kingdom

Figure 3 is a photograph of an ndop, a statue of a Kuba king. Now in the British museum, the statue was one of four seen by the African American missionary William Sheppard, the first westerner to visit the Kuba capital Mushenge, in 1892. The king which this particular ndop represents was called Shyaam aMbul aNgoong, Shyaam for short. He founded the Kuba kingdom, now part of the Democratic Republic of the Congo, probably in the 1620s.

Shyaam is sitting infront of a board game known as mancala, his "emblem" (as Jan Vansina called it, (Vansina, 1978, p. 189), see also Vansina (1972)). Mancala is played all over Africa and is very ancient. What appears to be a stone version of the game can be found in the ruins of the ancient Kushite city of Meroë located north of the modern Sudanese capital of Khartoum. That makes it around 2,500 years old. It is the rules that are important here and they were why it was Shyaam's emblem. There are many variations of the game, but in one recorded set of rules for the Ghanaian version of the game, called wari, two players each start with 48 counters, perhaps beans, cowrie shells or pebbles. Figure 4 shows the board close up. They place these counters in the indentations on the board which are in two rows of six small cups with two larger cups, one at each end. These larger cups, one for each player, are for holding the counters which

the players win from each other. At the beginning of the game the 48 counters are divided with 4 in each of the twelve small cups. The details of the rules are not important for now, what is significant is the objective.[3] This is to accumulate more counters than the other player until there are no counters left on the board. Hence in mancala the objective is to accumulate the counters, the "people" of the other player. You win the game when you have them all.

Contrast this with the Eurasian game of chess, invented in India probably about 1,500 years ago. In chess one starts out with the political institutions of a state and social hierarchy, there is a king and a queen, with the latter being the most mobile. Then one works one's way down through the social spectrum with castles, knights, bishops down to the ordinary pawns, the least important and mobile. It is a reflection of what in Medieval Europe was called the "society of orders" made up of those who "work, pray and fight" (Duby, 1980). In mancala every counter is the same. The objective of chess is to pit your state and hierarchy against your opponents' state hierarchy. But the aim is not to accumulate the people of the opponent. Rather it is to invade and take over their territory and destroy their people, not capture them. To win you have to check mate the most important part of the hierarchy, the king. There is no king in mancala. The differences between mancala and chess reflect many profound differences between African society and other parts of the world.

Africans, like the Asian people studied by Nisbett, see themselves not as isolated individuals, but in terms of relationships and their place in the community.[4] The cleric Placide Tempels, in his 1945 book *Bantu Philosophy*, the first serious attempt by a westerner to understand African worldviews from an African perspective, argued that

> The concept of separate beings ... which find themselves side by side, entirely independent one of another, is foreign to Bantu thought. Bantu hold that created beings preserve a bond one with another, an intimate ontological relationship, comparable with the causal tie which binds creature and Creator (Tempels, 1959, p. 58).

The philosopher Kwame Gyekye calls communalism a "core value" in Africa and notes "Communalism insists that the good of all determines the good of each or, out differently, the welfare of each is dependent on the welfare of all" (Gyekye, 1987, p. 155). This ontology of Africans, of Bantu as Tempels puts it, is institutionalized in kinship groups and clans (as in China), and an emphasis on the community and what is referred to as "wealth in people" (Guyer, 1993).

[3]For a detailed description of the rules of wari, see Rattray (1927, pp. 382-390.)

[4]Obviously, "Africans" is a generalization that has to be defended. There is huge variation within African society, but there are also common components, such as cultural practices and ontological ideas possibly as a consequence of historical diffisons and migrations like the Bantu expansion, see Gyekye (1987) for a very powerful defense of the usefulness of using the term.

Shyaam's "emblem" symbolizes that the construction of the Kuba state respected the basic principles of society – the community and the clan. Tempels argued that Africans have: "an ontological duty to preserve the clan" (Tempels, 1959, p. 152). For the Somalis this duty was so strong that no state could ever emerge. In the Kuba kingdom it did, but it was a special sort of state which fused elements of the kinship system with state institutions, what I called a segmentary state.

Such a state intrinsically had what Southall called "limited jurisdictions" (Southall, 1953, p. 253) and was designed to be consistent with the values of the society. One way this was achieved was because Shyaam was an outsider, a "stranger king" (Graeber and Sahlins, 2017). Outsiders were intrinsically limited, for example having no rights in land (see Robinson (2023) for other aspects of this social contract).

Another way is embodied in the political culture. People recognized that there was always a residual tension. As anthropologist Luc de Heusch observed in exactly this context

> Kingship ... always introduced a threat of tyranny ... The African societies that adjusted to ... kingship in the ... hope of increasing their control over nature remained dimly conscious that they were playing with fire (de Heusch, 1981, p. 25).

Oral history records the highly ambiguous nature of the political centralization of the clans by Shyaam in the 1620s when he founded the Kuba kingdom. First Shyaam became king of the Bushong clan, and then he unified a group of other clans included the Bieeng, Ngeende, and the Pyaang to make the state. He did this by organizing a competition at Lake Iyool, close to the current Kuba capital of Mushenge. In this the leaders of each different clan were to throw copper hammers into the lake and the one whose hammer floated would become king of the united clans. Supernatural forces were supposed to choose the winner.

Shyaam hatched a strategy which involved trickery. He stole a hammer made out of wood coated with a thin film of copper from the Bieeng and cast it into the lake. It floated, and he had won. Vansina recounts that, as prophesied,

> Miracles began to happen. The water colored itself in turn red, yellow, and white. The trees began to shake and a crocodile appeared. [Shyaam] stood on its back and ventured out on the small lake with it (Vansina, 1978, p. 51).

But "All these miracles, except for the appearance of the crocodile, had been performed by the Cwa who [Shyaam] had bought off" (Vansina, 1978, p. 51).

Shyaam merged the clans into a state by cheating with the help of the Cwa, a Batwa people. Not everyone agreed to this and a war with the Bieeng followed. Most of this story is probably not a precise description of events, but a metaphor. The creation of the Kuba kingdom, mancala board or no mancala board, was a morally ambiguous affair. Why? Because there was always antipathy to centralization and by allowing a state to form people were playing with fire.

5.2 The Trade-Off

Though Shyaam's emblem suggests that the social contract that created the Kuba state respected the basic values of Kuba society, I showed that, nevertheless, people were worried that this contract might not be respected.

I investigated some of the consequences of the Kuba state in my research in the Democratic Republic of the Congo with Sara Lowes, Nathan Nunn and Jonathan Weigel. In Lowes et al. (2017) we collected data in the city of Kananga on Kuba people and also on many other ethnicities in Kasai Central province and neighboring areas. We were interested in perhaps the most fundamental feature of the state - rule enforcement and obeyance. The Kuba created a quite elaborate legal system which even had appellate courts. What were the consequences of these state institutions for peoples' behavior and in particular their social norms? One simple hypothesis would be that by creating the courts and legal institutions the Kuba state would induce people to be more law abiding and even change their norms to make them intrinsically value the law and be willing to obey rules, even in the absence of legal enforcement.

To investigate this we used a simple game called the Random Allocation Game (RAG). In it, participants, both Kuba and non-Kuba are given a dice which has three sides black and three sides white. Figure 5 shows the dice we used. The game goes as follows. First, the player with the dice has to think of a color, either black or white. Then they roll the dice. If the dice lands on the color they thought of then they get some money. If it does not, then the money instead goes to another player who they are matched with. We varied this other player to be another person of the same ethnicity, members of another ethnic group, a citizen of the city of Kananga, or the local government. The key observation is that the experimenter has no idea what color the person picks in their mind – they do not announce it or record it in any way. Hence, it is simple for the person to pretend that whatever color comes up is the one they picked. In this case they can pocket all the money. However, statistical theory tells us that a person should only win half the time. The probability of the dice landing on the color you pick is 1/2 for either color. If you roll the dice a lot, then you should win half the time. In the experiment people played for 3,000 Congolese francs, about US$3, which was the average daily income of

our sample of people in Kananga. For every roll 100 francs was at stake, so in principle people had to roll 30 times. On average people should win about 1,500 francs, one half. Therefore, to the extent that people win more often than this you know, or it is very likely, that they are violating the rule.

Figure 6 shows our basic results. The grey bars are the average amount that non-Kuba peoples gave to whoever it was they were matched to. The first set of bars is for a citizen of Kananga; the second a fellow co-ethnic - so if a Lele person were playing the dice game the person they gave the money too would also be Lele; the third is a member of an ethnic group chosen at random but not a co-ethnic; the fourth the provincial government. If you look at the vertical axis you can see the amount of money that the person playing the dice game left for the person they were matched to. When it was a citizen of Kananga you see this number is just over 1,000 francs. If people had been playing fairly this number should be around 1,500 implying that the non-Kuba people are cheating quite a bit and miss-representing the color they chose. This is the basic pattern though in the second set of columns you see that people give more to a co-ethnic.

The main finding in our paper comes from comparing these grey bars to the ochre bars. These are the amounts that Kuba people give to those to whom they are matched. The big finding is that whichever way you look at it and irrespective of the other party, Kuba people cheat more, they give less to the other person. They are even further from 1,500 francs. The differences are large and significant. In Figure 7 plots the data of the average amount that different ethnic groups give to the other player they were matched to. You can see that the Kuba are the least generous, less than the Lele, historically a politically completely uncentralized society, and the Luluwa, the main ethnic group in the city of Kananga.

In these games there is a clear rule. People have to roll the dice and they know what the rule is and what cheating is. They can follow the rule or they can cheat. They are not punished for cheating, but nevertheless hardly anyone gives zero, which they could. Social norms stop that happening, people know that they should stick to the rule and this deters them from violating it in egregious ways.

My interpretation of these results is that they exactly represent a trade-off. Africans were skeptical about the creation of hierarchy. They attempted to structure it in particular ways, such as in the form of a segmentary state. They tried to organize formal institutions to preserve their values and keep "limited jurisdictions." But they anticipated that they might fail and this led them to develop norms and informal institutions that limited what formal institutions

could do. It is worth recalling that Shyaam himself is remembered as having cheated when he created the state. In our experiments this all manifests itself as the Kuba being less likely to obey the rules than the other peoples who did not have anything like a state, like the Lele.[5] The antipathy that Kuba people regarded the state with led them to be more inclined to ignore the rules. This was no doubt costly to the society.

This example, along with the *sapo* analysis further shows how complex the concept of the rule of law is. It is the composition of formal institutions with social norms and informal institutions. What Figure 1 captures is the net effect of these, but to analyze this you have to decompose it.

6 Paths from the Periphery

None of this implies that some societies are trapped (any more than China was) into poverty by their normative orders. The world and normative orders change. Moreover, at any one time there are multiple normative orders in a society, even if one may be dominant at a particular moment (Acemoglu and Robinson, 2025). More radically, multiple normative orders may be consistent with economic growth: hence Capitalism with Chinese characteristics?

The emergence of economic growth in the early modern period came as a consequence of re-configurations of both power relations and the previous normative orders in ways which were more consistent with prosperity. Let me first examine the British case.

6.1 The Emergence of the Rule of Law and Institutional Change in Britain

Britain was a poor country once, but in the early modern period it changed its institutions towards much more inclusive ones. Both of the two sources of extractive institutions I have discussed so far were initially important in holding prosperity back: there was distributional conflict over the organization of society; and the normative order was economically inefficient. Both changed.

The final cementing of greater inclusion came with the Glorious Revolution of 1688. This was a conflict between the Stuart monarchy which favored an absolutist model of the state and those who favored "Popular Sovereignty" and parliamentary supremacy. The Glorious Revolution of 1688 reconfigured power relations in a way that was much more propitious to the construction of inclusive institutions (Acemoglu et al. (2005), Pincus (2011) and Acemoglu and Robinson (2012)). A key reason was that it empowered politically the mercantile class which had a much greater vested interest in inclusive institutions. The revolution in particular led to the emergence

[5]The seminal comparison between the Bushong and the Lele is Douglas (1962).

of the rule of law, since this was a key issue which united the coalition that opposed the Stuart king James II (Thompson, 1975).

Changing institutions in Britain was not simply about removing the threat from absolutism or predation from the state. Even after 1688, most parts of the British countryside were governed collectively and land was held in open fields and managed by the community. A large contemporary literature argued that this was very inefficient economically for many reasons. Yet it was very difficult to re-organize this situation since prior to the eighteenth century, doing so required unanimity amongst landowners in a parish. After around 1750 however, parliament created a procedure which allowed the privatization of this communal land, a process known as enclosure, to move ahead if the owners of 3/4 of the land (by value) were in favor of it.

The procedure was highly legalistic and involved a number of steps. First, parishioners had to petition parliament with a draft enclosure bill, which suggested a re-organization of property rights. When this was submitted to parliament the parishioners had to simultaneously present a "consent document" listing all of the landowners in the parish, the value of their holdings, and their signatures. Each landowner had to state whether they were in favor of the enclosure, against, or indifferent. 3/4 had to consent for it to move forward. After they had done this, the draft bill had to be fixed to the church door for three summer Sundays prior to the next parliamentary session. If there was sufficient agreement, the bill would be presented to parliament. The bill would then typically form the basis of a parliamentary enclosure act.

In my research with Leander Heldring and Sebastian Vollmer (Heldring et al., 2022) we show that the creation of this parliamentary process and the enclosure of lands that it allowed, had very large positive effects on agricultural yields, increasing them by about 45%. It also stimulated investment and innovation and better agricultural practices.

To get a sense of how radical it could be, Figure 8 reproduces two maps of the village of Barton-upon-Humber (from Mingay (1997)). The left panel shows the parish before it was enclosed by a parliamentary act and as it was in the late eighteenth century. You can see that most agricultural land was divided up into three huge fields, the west field, the south field and the east field. Within these fields parishioners had many scattered strips of land. One of the costs of this system was that planting, harvesting and the grazing of animals required a large amount of coordination. The map also depicts common lands, such as the "Ings" at the top and the "Common Wold" at the bottom. The right panel shows the situation after enclosure. The big open fields are gone and so are the commons. All the land was divided up into individual specific and contiguous farms. The map also contains other details which we find were a consequence of

enclosure, for instance a new system of roads.

But enclosure didn't just raise yields. It also had large distributional effects with a 22% point increase in the Gini coefficient of land inequality. This was likely because smallholders who lost access to the commons no longer had viable farms and sold out after enclosure. The anticipation of this seems to be the reason that enclosure stalled when it required unanimity.

Enclosure was therefore not Pareto improving since the economic gains were very unevenly distributed. It went ahead in thousands of parishes however with relatively little violent reaction or opposition. The plausible reason for this is that while there was a normative order in rural Britain which was massively re-negotiated, there were agreed ways to undertake this re-negotiation and the process was legitimate, even if some did not like the outcome (Morse (1979) argues this is a key feature of Britain's historical economic success).

6.2 Botswana: An African Miracle

Just as the emergence of economic growth in early modern Britain involved a change in institutions which was consistent with the normative order, the same thing happened in Botswana. While Botswana was possibly the poorest country in Africa at independence in 1966, since then it has grown rapidly and is now by far the richest, overtaking South Africa in the 1990s (Acemoglu et al., 2003). Figure 2 tracks this remarkable achievement. This was possible for several reasons, but the most important is that the first generation of political elites, particularly Seretse Khama and Quett Masire, the founders of the Botswana Democratic Party, were able to merge the traditional political institutions of the Tswana polities with a modern nation state. Tswana political institutions were based around a chief, but heavily shaped by the *kgotla* a deliberative assembly which kept the chiefs accountable. The 1940 description by anthropologist Isaac Schapera is worth quoting at length

> all matters of tribal policy are dealt with finally before a general assembly of the adult males in the chief's *kgotla* (council place). Such meetings are very frequently held ... among the topics discussed ... are tribal disputes, quarrels between the chief and his relatives, the imposition of new levies, the undertaking of new public works, the promulgation of new decrees by the chief ... it is not unknown for the tribal assembly to overrule the wishes of the chief. Since anyone may speak, these meetings enable him to ascertain the feelings of the people generally, and provide the latter with an opportunity of stating their grievances. If the occasion calls for it, he and his advisers may be taken severely to task, for the people are seldom afraid

to speak openly and frankly (Schapera, 1940, p. 72).

The merger of the *kgotla* with post-independence state institutions projected the accountability of the traditional system onto the state in a way which has been rare in post-colonial Africa. It meant that when the income from diamonds surged in the 1970s, the resource wealth was allocated in the collective interest and the economy grew rapidly.

Circumstances helped facilitate this path. Masire himself observed "Our tradition in Botswana, based on the *kgotla*, had been one of open debate ... The arrival of Western politics just provided different names or contexts to the way we had carried out our differences traditionally" (Masire, 2008, p. 121). There was a compatibility between the *kgotla* and liberal democratic political institutions which other institutionalizations of accountability in pre-colonial Africa did not share. Moreover, these same political institutions spanned the entire area that became Botswana and so were uniform across the territory. Nevertheless, making this work took a great deal of agency and an insistence in the 1960s that the state had to be constructed on the basis of Tswana traditional culture and institutions (see Robinson (2026)).

These traditional institutions featured the rule of law. Schapera's first book *A Handbook of Tswana Law and Custom*, published in 1938, specifically addressed itself to the nature of the Tswana legal system which he began to investigate in 1929. He noted another proverb: "The law is blind, it eats up its owner" (Schapera, 1938, p. 51). As clear a statement about the rule of law as you could get.

In this case then there was a normative order which already featured the rule of law. Nevertheless, traditional Tswana institutions were inimical in many ways to the creation of economic growth. Change among the Ngwato, one of the largest of the Tswana polities, had already begun in the nineteenth century during the long reign of Khama the Great, Seretse Khama's grandfather (Schapera, 1970). Like him, Seretse Khama understood that it was not sufficient to blend the old with the new but that things needed to be changed in order for Botswana to prosper, and in particular maintain its independence from the neighboring white Apartheid regimes in South Africa and Rhodesia (Zimbabwe). In a speech in Lobatse in 1969 he noted

> Development means change not only in our way of life, but in the attitudes and values, the ways of thinking which underlie that way of life. If people are to be persuaded to change their ways, they must understand why they are being asked to change (Khama, 1980, p. 298).

Change came, for example, in the way land was allocated, moving this away from traditional agrarian institutions and establishing land boards. Masire similarly argued "We cannot develop

rapidly unless we are willing to change our society. Development can only take place in a social environment which welcomes and controls change" (Morton and Ramsey, 1994, p. 61).

The key thing, as with eighteenth century Britain, is that there were legitimate ways to make decisions and implement this change and fora in which people could understand why it was being done and influence the direction it took. Most important of all, it was done by Batswana.

6.3 Building a State in Somaliland

At independence in 1960, the citizens of the British colony of Somaliland voted to merge with Somalia, until World War II an Italian colony. By the 1980s the united Somalia had fallen into dictatorship and civil war and a movement of ex-patriots developed a plan to restore an independent Somaliland. They formed the Somali National Movement (SNM) whose first political manifesto, called "A Better Alternative," was published in 1981. It began to discuss constitutional options for a reconstructed Somaliland. It proposed

> a new political system built upon Somali cultural values of cooperation rather than coercion; a system which elevated the Somali concept of *Xeer* or inter-family social contract in which no man exercised political power over another except according to established law and custom, to the national level (Bradbury, 2008, pp. 63-64).

Xeer, more usually spelled *heer* is a key concept in Somali society in addition to the clan. Lewis described it in the following terms

> Its closest equivalents in English are compact, contract, agreement or treaty in a bilateral sense. Thus several men or parties are said to be of the same *heer* when their relations are regulated by an agreement ... As need arises the terms of contracts are abrogated, existing treaties modified or rescinded, and new agreements made. The majority of *heer* agreements binding groups relate principally to collective defense and security and to political cohesion in general (Lewis, 1961, pp. 161-162).

Just as the British and Tswana had legitimate methods for making decisions and contracts, so did the Somalis. The 1981 "Better Alternative" didn't just appeal to *heer* as a mechanism for building a new society "It proposed incorporating traditional institutions of governance into government in a bicameral legislature with an upper house of elders. The creation of a formal council of elders (the *Guurti*) became integral to the SNM's political and military strategy" (Bradbury, 2008, pp. 63-64).

Having a legislative chamber which represented clans is not a complete innovation in a continent of segmentary societies and states. The medieval kingdom of Mali was governed by a clan council as was the pre-colonial Buganda kingdom (within current Uganda). Nevertheless, the concept does not appear in Lewis' book *A Pastoral Democracy*. It was a genuine innovation that took hold in a society that traditionally had never had a state.

In 1991 the Somali dictatorship based in Mogadishu finally collapsed and the SNM had taken charge in Somaliland following a military struggle. After an initial transitional government, in January 1993 150 clan elders met in the town of Borama to negotiate a more enduring constitutional settlement. From four long months of deliberation and discussion emerged the Transitional National Charter. The clear aim in Borama was "to fashion a form of government that accommodated the clan system within a modern structure of government" (Bradbury, 2008, p. 99). It took many other conferences to reach a final settlement and the constitution was eventually ratified in 2001.

After 34 years of rebuilding Somaliland it remains a poor country with an income per-capita of around $1,500. Yet the citizens have built a democratic state and the government has gradually rebuilt services and the country is remarkably peaceful. Political scientists Avidit Acharya, Robin Harding and Andrew Harris examined one of the key economic consequences of the creation of state authority – the provision of public goods. In building the state, the government in Somaliland realized it had a huge economic opportunity. Just across the Red Sea is Saudi Arabia and the Gulf States which are potentially large markets for Somali livestock exports, particularly during the Hajj when several million people descend on the Islamic holy cities of Mecca and Medina. But to export livestock, particularly goats, one needs key public goods: the health of the animals has to be guaranteed, and the ships moving them to Jedda have to be free from pirate attacks. Once the Somaliland state organized to provide public goods, both in terms of animal health, and also to restrict piracy, those exports took place. Figure 9 using updated information to that presented in Acharya et al. (2020) shows the dramatic increase in livestock exports from Berbera, the main port in the country. The spike is the season of the Hajj. The figure also shows exports of livestock from Bosasso in neighboring Puntland. Puntland also broke away from Somalia in the 1990s but it has been unable to build the sort of state that Somaliland has. The increase in exports from Berbera relative to Bosasso is a measure of Somaliland's success. Though in 2009 there were few differences in exports, by the Hajj in 2013 close to 1,500,000 head of livestock were being exported from Berbera compared to a negligible amount from Bosasso. The economic incentives were the same, but only Somaliland

could take advantage of the opportunity because of its process of state formation.

7 The Future of Prosperity

My discussion shows that we have to take seriously the ways in which extractive institutions get created. In some places, like the Colombian periphery, it is mostly about power relations. In the Congolese or Sierra Leonean periphery this is not the case, or at least it is not the whole story. There, institutions which might not create circumstances propitious for economic growth, are nevertheless part of a normative order. For growth to happen that order may need to be changed and re-negotiated. What I have shown in the last few sections is that this is exactly what did happen historically in success stories like early modern Britain, or post-colonial Botswana and Somaliland.

Why has this re-negotiation not happened everywhere? There are several obvious reasons for that. The first is the one I started with - power relations. In Britain power relations had to be reconfigured as well as the normative order adapted to new circumstances. One was probably not possible without the other. The problem in a post-colonial state like the Democratic Republic of the Congo or Sierra Leone is that while it might be true that at a local level there is a powerful normative order, this is not true at the national level and many historical orders are now mixed together in entities like the Congo or Sierra Leone. This creates problems which were less severe in Britain where local normative orders were linked to the national state via parliament. Similarly, in Botswana or Somaliland there was more uniformity in the orders across the territories. The most insightful characterization of the problem in other countries is due to the sociologist Peter Ekeh. He argued that the history of colonialism in the national state in Africa led to the emergence of an amoral zone, disconnected from the morality of local communities and traditional African normative orders. Ekeh argued that there were therefore "two publics" in Africa, one moral, one amoral Ekeh (1975). His argument was anticipated by the writer Chinua Achebe whose 1966 novel *A Man of the People* analyzed the breakdown of democratic politics in post-colonial Nigeria. He pointed out that at the local level, the village, there were rules and legitimate institutions and the people "could say no to sacrilege." This was the normative order in operation. However,

> in the affairs of the nation there was no owner, the laws of the village became powerless.(Achebe, 1966, p. 149)

The two publics creates a serious problem of power relations in the post-colonial world which holds back prosperity. It is precisely this amoral national zone that allows the 300 in Zimbabwe

to do what they do. It is the same zone that allows Brigard and Urrutia in Colombia to conspire with multinational and Colombia companies and paramilitaries to acquire vast amounts of land in the Colombian periphery. Colombia too is a post-colonial state.

Neither Botswana nor Somaliland had to simultaneously solve problems of power relations and change the normative order, at least after Britain allowed Botswana to become independent and the dictatorship of Siad Barre collapsed allowing the SNM to declare independence in Somaliland. In neither case was there a significant problem of power relations, allowing the focus of both countries to be on re-configuring the normative order through re-negotiation.

The second reason that makes these normative orders hard to renegotiate is that attempts to promote "development " have not taken them seriously. The major image of poor countries is either that they are hemmed in with many different types of market failures, externalities, or frictions that can be solved if only we can figure out the right type of policy intervention. Or they are regarded as "backward" lacking modern institutions and enfeebled by archaic practices and dysfunctional social norms which all need to be modernized. There may well be archaic practices and in this essay I have even given an example of an "anti-social norm," but in my experience what looks like an archaic practice to a western economist makes a lot of sense to a Congolese, Nigerian or Sierra Leonean. For sure there are trade-offs, but to escape these trade-offs the normative orders have to be re-negotiated as they were in Britain historically, in Botswana in the 1960s and in Somaliland in the 1990s. If western social scientists and policy makers want to play a constructive role in that process, and they certainly can, they need to start by taking the normative orders seriously.

Returning to extractive institutions, this distinction shows that there are very different problems to solve in poor countries. In Table 1 I develop a simple taxonomy to discuss this. On the horizontal axis I have classified societies as to whether or not the equilibrium they are in is consistent with the normative order, {yes;no}. On the vertical axis I place the complexity of changing or re-negotiate this order, {low;high}.

Britain, Botswana and Somaliland are in the top left. Here society did respect the normative order. This was true of early modern Britain, the Tswana polities or the Somaliland clans. I also regard these three situations as relatively easy to change. In Britain there were agreed ways to make decisions and changes. Botswana had a collective history of deliberative political institutions and something of a common culture. Somaliland had a common culture, a method for making contracts, and all its inhabitants even claimed to be the descendants of one person, Somali.

Table 1: Equilibrium and Complexity of Changing the Normative Order

		Equilibrium Reflects the Normative Order	
		Yes	**No**
Complexity of Changing the Order	**Low**	Britain 1688 Botswana 1966 Somaliland 1991	Colombia
	High	Igboland Kuba Kingdom	National Nigeria National DRC

In the top right I place Colombia. Here the equilibrium does not reflect the normative order. Then good news is that the evidence I have presented suggests that this order is pro-social and actually consistent with more inclusive institutions. The bad news is that Colombians have to find a way to get the equilibrium in the country to conform to this order. I classify this as being of low complexity, if only because I think Colombia is a much less complicated country than the DRC or Nigeria. These latter two countries national states are in the bottom right cell of the matrix because they have severe cases of the "two publics" problem. The way the national states in these countries operate is "amoral" (Ekeh, 1975) and the challenge of change is very hard.

Finally, the Kuba kingdom or the Igboland that Achebe was describing are in the bottom left. Society does adhere to a normative order and it is legitimate so that, just like in Britain, there are legitimate ways to change things. I do not believe this is very easy however precisely because of the difficult co-habitation in the DRC and Nigeria of the two publics and the non-uniformity of the normative orders in both countries.

The main point of this taxonomy is just to emphasize how different the "problem of development" is in these different cases and how important it is to distinguish between the different reasons that extractive institutions exist.

8 The Two-Way Street

I began this essay with my research on comparative development and unpacked what it means to have extractive institutions. The perspective is that the rule of law is one of the reasons why rich countries are rich. If poor countries want to grow they need to improve their institutions and I have focused on developing two reasons why this is difficult.

My perspective is that different parts of the world organized their societies in different ways

and took different paths into the modern world. Some of these paths generated a lot more prosperity, but this doesn't mean that the other paths were mistaken or failed attempts to get onto the most economically successful paths. This being the case it makes sense that we have something to learn from these other choices. People experimented with choices and normative orders that were different from ours and no society is perfect.

In my research I have certainly found this to be the case. Though it is not the main purpose of this essay, I want to just outline two of the things that I have learned studying Africa which I think are of interest for the rich countries of the world.

The first is that anyone who has worked in Africa knows how important social relationships are. We have seen in this essay the importance placed on the community and institutionalizations of it like clans. Wealth in people is ever present and endogenous to peoples' efforts and actions. People are always trying to build relationships and African culture has developed to facilitate this.[6] In my work with Soeren Henn, for example, we showed that in most African languages the words for guest and stranger are the same (Henn and Robinson, 2023). In only one society outside of Africa is this true, Hawaii. This represented a fundamental adaption of African society to embracing outsiders so as to be able to build wealth in people. This propensity shows up in the data on "moral universalism" collected by Cappelen et al. (2025). They administered a series of survey questions asking people how they would divide $1,000 between two people, one close to them (like a family member) and one more socially distant, like a foreign national. They average over different identities to get an index of "composite universalism." The startling fact they uncover is that the four top countries in terms of this measure of universalism are Ethiopia, Zambia, Nigeria and Zimbabwe. This means that these are the places where people are *least likely* to discriminate in favor of the person who is socially closer to them, their "in group." The United States comes in nineteenth, not only behind these four countries, but also Ghana, Senegal, Tanzania, and Kenya. In a world riven by political polarization and nationalism I think other societies have a lot to learn from this part of African culture.

The second is that the western world chose to create representative institutions in the modern period which in many ways were deliberately designed to limit the extent of democracy (Manin, 1997). In the United States this was embodied in the electoral college which separated the selection of the president from the popular vote. A long intellectual tradition stretching back to Aristotle saw democracy as akin to mob rule and only desirable relative to potential perversions of other systems (like monarchy). Indeed, democracy appears in Aristole's classification as a

[6]The best depiction that I know of this is in Ousmane Sembene's novella *The Money Order* (Sembene, 1997).

perversion of "polity." This was coupled with the widespread adoption of majority rule to make decisions (Bulman, 2023).[7] The western world is now experiencing a crisis of democracy with many people having lost their faith in the way decisions are made. A recent Pew Research Center poll found that over than 80% of Americans agreed with the statement that "elected officials don't care what a person like me thinks."[8] But other parts of the world institutionalized democracy in very different ways. In eastern Nigeria, for example, Igbo villages make collective decisions through a nested series of councils (Afigbo, 2005). Democracy is participatory, not representative, any adult can take part, and decisions are made by consensus, not by majority rule (Jones (1971) for an ethnographic description of how this works). Everyone gets a turn to be heard. We have much to comprehend from Igbo society in terms of how to create a democratic system that people really participate and believe in.

So research is not simply about getting a better understanding of how and why poor countries differ from rich ones. It is actually about treating the differences between societies as worthy of respect and conceptualization. In that process they learn from us and we learn from them. It is a two-way street.

9 Conclusion

Development economics portrays all countries as basically the same and in particular attempting to achieve the identical thing. Some succeeded, the prosperous countries, some failed, the poor countries. To become rich the poor need to mimic what the rich did. I had to unlearn this perspective to appreciate and respect that there are fundamental contrasts – for example, ontological – between different parts of the world.

World societies are not subject to a uniform process of modernization ((Acemoglu et al., 2008), Acemoglu and Robinson (2019)) and nor are they passing through some nineteenth century evolutionary sequence: band to tribe to chieftaincy to state. Cultures are diverse and people may choose to live in very different types of societies.

In my experience, people all over the world want access to the same sorts of things that I have been fortunate enough to have had in my life - security, high quality education and health care, stable employment and the opportunity to travel. As my research with Daron Acemoglu and Simon Johnson showed, generating these takes inclusive institutions. But inclusion is a general

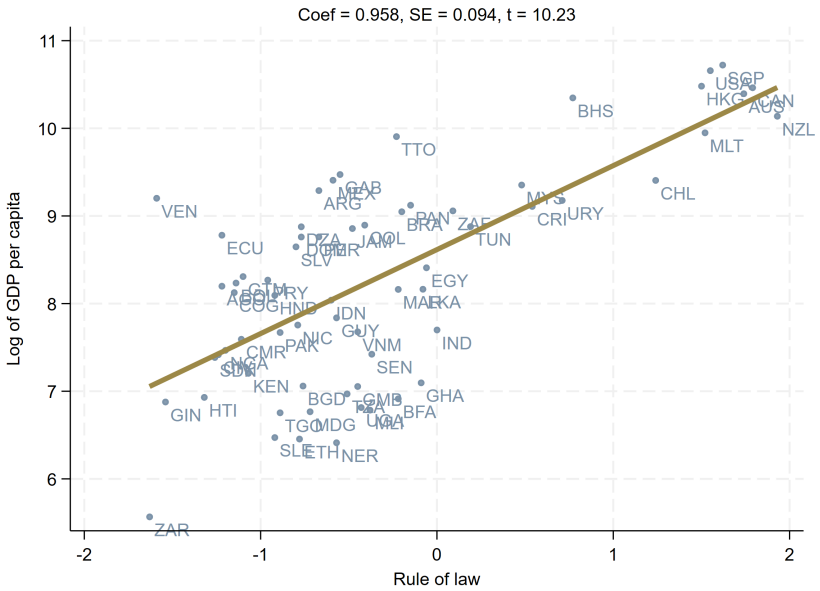
[7] Recall how prior to the eighteenth century, in Britain enclosure could only take place if landowners were unanimously in favor of it.

[8] https://www.pewresearch.org/short-reads/2024/04/30/more-than-80-of-americans-believe-elected-officials-dont-care-what-people-like-them-think/

concept, it can be institutionalized in many different ways and just as extractive institutions differ, so do the paths to inclusive institutions.

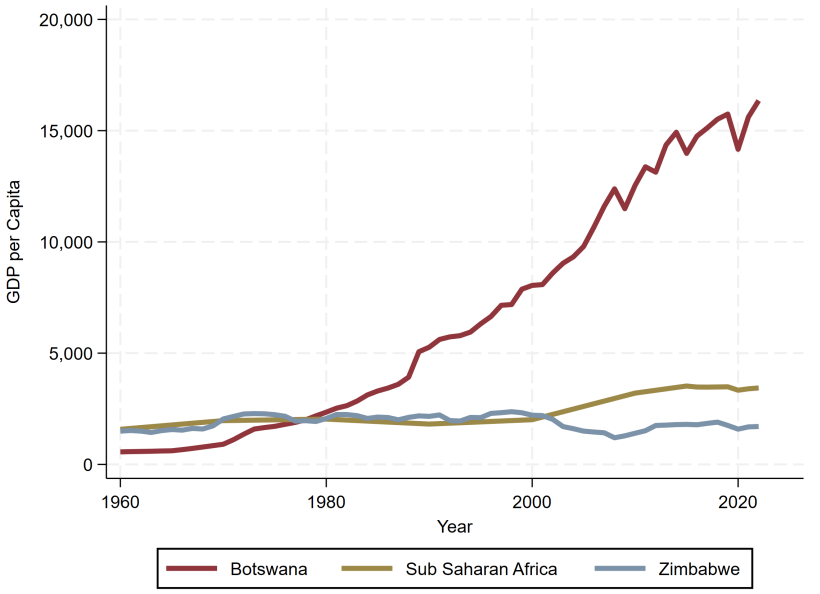
My intellectual path has taken me in the opposite direction, to the periphery, mostly out of an overwhelming sense of my own ignorance about the incredible variation in human society. As a student of economics, I never understood why some components of this variation were regarded as relevant and suitable for asking questions about and including in an explanation, but other dimensions were deemed irrelevant. Mastering that variation and taking it seriously is very hard, but it is also incredibly exciting and fun and there is so much to learn. If we want to help poor people, however, we have no choice but to take it seriously and study it. Moreover, if we take it seriously it follows that there is much to learn from other peoples about our own societies. It is not a one way street.

Figure 1: Countries with greater rule of law are more prosperous



Rule of law and GDP per capita in 2025. Data from the World Bank's Worldwide Governance Indicators. *Source:* Acemoglu et al. (2014)

Figure 2: Prosperity in Africa, Botswana, and Zimbabwe



GDP per capita, 1960 to 2022
Expressed in international-$ at 2011-prices (adjusted for inflation and for differences in living costs between countries). *Source:* Data from Bolt and Van Zanden, Maddison Project Database 2023

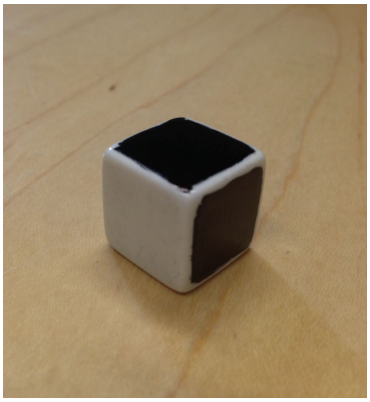
Figure 3: Founder of the Kuba Kingdom

Source: British Museum,
©The Trustees of the British Museum

Figure 4: Mancala (Wari) board with cowries

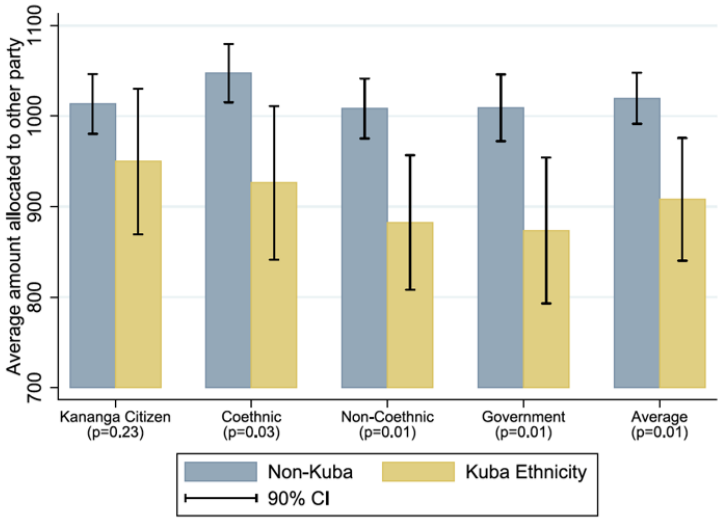
Source: British Museum,
©The Trustees of the British Museum

Figure 5: The Random Allocation Game Dice



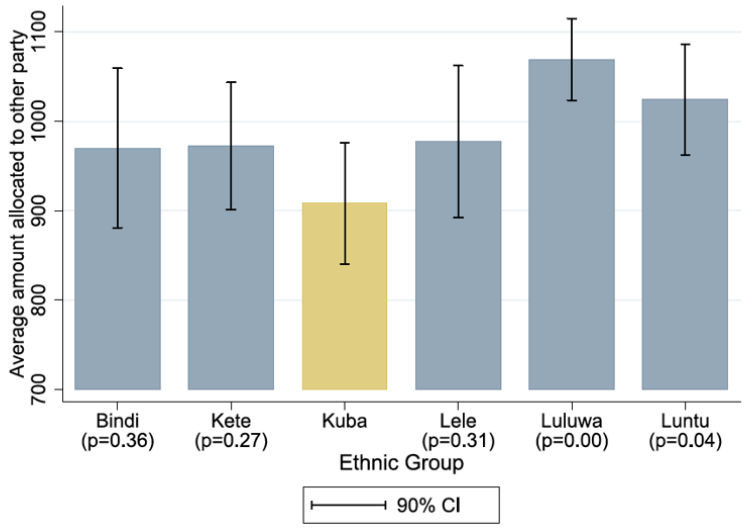
Photograph by James Robinson. Dice used for the Random Allocation Game with three sides black and three sides white

Figure 6: Kuba keep more for themselves no matter who they are matched to



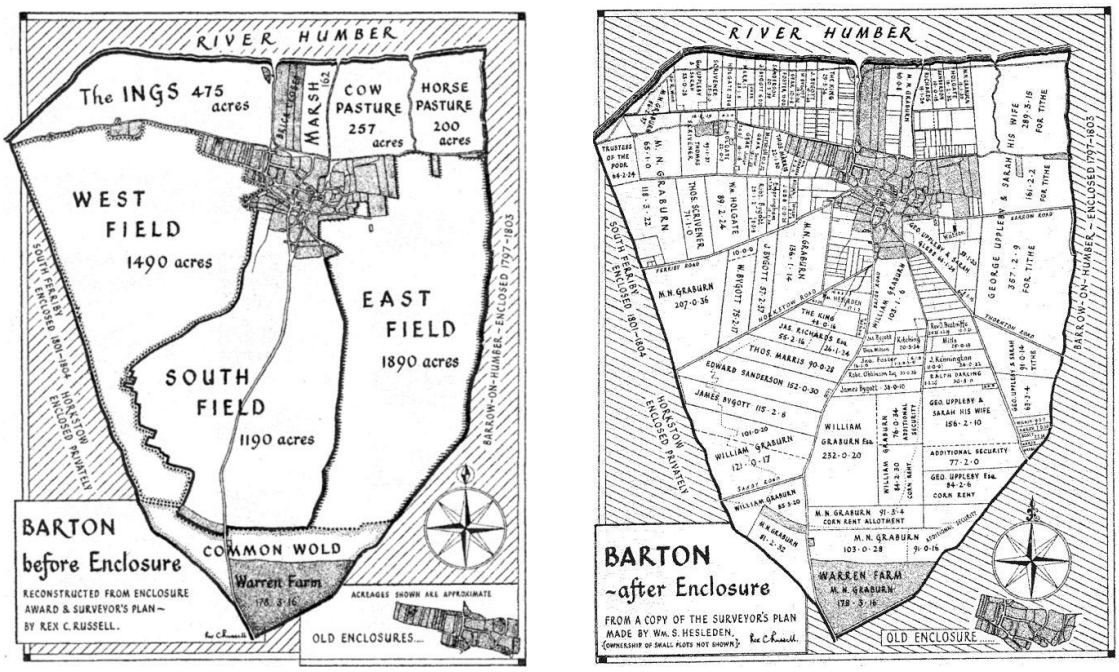
Average allocations (of 3,000CF) to the other party in the RAG, for Kuba and non-Kuba descendants. *Source:* Lowes et al. (2017)

Figure 7: The Kuba give less than any other ethnic group



Average allocations (of 3,000CF) to the other party in the RAG, for the six largest ethnic groups. *Source:* Lowes et al. (2017)

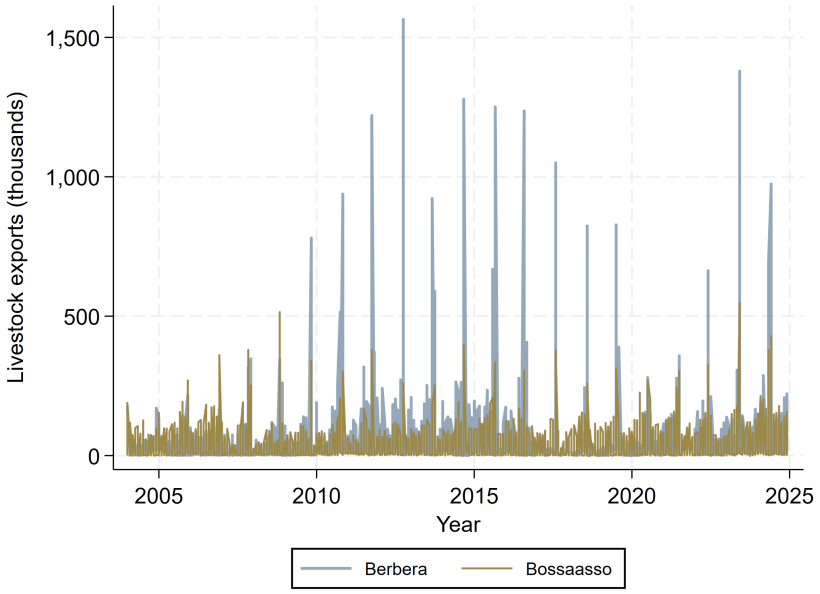
Figure 8: The reorganization of land ownership in Barton as a consequence of Enclosure



(a) Before Enclosure (b) After Enclosure

Figure 8a shows the commonly held plots of land in Barton-upon-Humber, before enclosure. Barton was enclosed between 1797 and 1803. Figure 8b reflects the results of Parliamentary enclosure. *Source:* Mingay (1997)

Figure 9: Monthly livestock exports from Berbera and Bossasso



Monthly total exports from the ports of Berbera and Bossasso (2025-2024)*Source:* Food Security and Nutrition Analysis Unit, Somalia (2025), www.fsnau.org

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