

ROBERT H. BATES

*The*  
POLITICAL  
ECONOMY  
*of*  
DEVELOPMENT

*A Game Theoretic  
Approach*

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**“This is a monumental, career-capping piece of work”**

KENNETH A. SHEPSLE, HARVARD UNIVERSITY



## **The Political Economy of Development**

Those studying development often address the impact of government policies, but rarely the politics that generate these policies. A culmination of several decades of work by Robert Bates, among the most respected comparativists in political science, this compact volume seeks to rectify that omission. Bates addresses the political origins of prosperity and security and uncovers the root causes of underdevelopment. Without the state there can be no development, but those who are endowed with the power of the state often use its power to appropriate the wealth and property of those they rule. When do those with power use it to safeguard rather than to despoil? Bates explores this question by analyzing motivations behind the behavior of governments in the developing world, drawing on historical and anthropological insights, game theory, and his own field research in developing nations.

Robert H. Bates, Eaton Professor Emeritus of the Science of Government at Harvard University, is the author, co-author, or editor of over a dozen books on the developing world. He specializes on the study of conflict and Africa, where he has spent much of his research career. A member of the American Academy of Arts and Sciences and National Academy of Sciences, he has held professorships at the California Institute of Technology, Duke University and the Toulouse School of Economics.

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*A Game Theoretic Approach*

ROBERT H. BATES

*Harvard University*



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*I dedicate this book to those who have inspired and instructed me:  
the coauthors of the papers woven into this volume.*

*Jean Paul Azam*

*Bruno Biais*

*David Epstein*

*Avner Greif*

*Da-Hsiang Donald Lien*

*William Rogerson*

*Smita Singh*

*David Soskice*

*I dedicate it as well to my students and colleagues at the California  
Institute of Technology, Duke University, and Harvard.*





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## A Note to the Reader

The chapters in this book first appeared as articles. Each was written in response to an issue that arose while thinking about the role of politics in development. When I believed that I had thought things through, I then discussed my ideas with colleagues – many of whom were far more mathematically skilled than I – seeking to see if my arguments were persuasive and their logic valid. These discussions resulted in a series of coauthored papers, each analytic and based on formal arguments, which I have gathered and redrafted for inclusion in this book.

Though the papers are coauthored, I write here in the first person. In effect, I have recrafted and “repurposed” these earlier writings for I have themes I wish to advance and arguments I wish to explore and I draw upon these papers to do so. The arguments advanced in these chapters are therefore “on me” and the coauthors of the original papers are not to be held accountable for their shortcomings.



## Introduction

Throughout this book, “development” refers to two things, the one economic and the other political. The first is prosperity, or the level of per capita income. The second is security, or the degree of safety of life and property. Nations that are prosperous have undergone a “great transformation,” to adopt Polanyi’s phrase.<sup>1</sup> Once based on agriculture, their economies are now industrial and their people live in cities rather than in villages or on farms. In most, people have ceded control over the means of violence from private to public hands. Insofar as the word “development” refers to the rise of prosperity and the attainment of security, then, it refers to the growth and transformation of the economy and to the rise of the state.

Those who study development glean their data from two major sources. The first is history: they gain insight into the process of development by comparing the economies and politics of today’s advanced industrial nations with the economies and politics that they possessed in the past.<sup>2</sup> The second is the contemporary world. By comparing the advanced industrial nations with those whose economies remain agrarian and poor, researchers probe the process

<sup>1</sup> Karl Polanyi, 1957, *The Great Transformation*. Boston: Beacon Press.

<sup>2</sup> See, for example, Daron Acemoglu and James Robinson, 2019, *The Narrow Corridor*. New York: The Beacon Press; Charles Boix, 2015, *Political Order and Inequality*. New York: Cambridge University Press; Frances Fukuyama, 2011, *The Origins of Political Order*. New York: Farrar, Stevens, and Giroux; and Margaret Levi, 1989, *Of Rule and Revenue*. Berkeley and Los Angeles: University of California Press.