

4-1-2015

## Acemoglu, Daron & James R. Robinson. Why Nations Fail: the origins of power, prosperity and poverty. New York: Crown Publishing, 2012.

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### Recommended Citation

Korstanje, Maximiliano E. Ph.D. (2015) "Acemoglu, Daron & James R. Robinson. Why Nations Fail: the origins of power, prosperity and poverty. New York: Crown Publishing, 2012.," *Journal of International and Global Studies*: Vol. 6: No. 2, Article 17.

DOI: 10.62608/2158-0669.1254

Available at: <https://digitalcommons.lindenwood.edu/jigs/vol6/iss2/17>

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**Acemoglu, Daron & James R. Robinson. *Why Nations Fail: the origins of power, prosperity and poverty*. New York: Crown Publishing, 2012.**

This fascinating best-seller combines numerous studies with a conceptual discussion around the idea that some nations may reach development and its benefits while others fail in that goal. Tracing a convincing argument, the contributing authors explain that two countries formed by the same ethnicity, demography, and topography may reach different levels of development, wealth, education, and health. Understanding why this happens is the primary attempt of the project. The authors assert that when political power is concentrated in few hands, the wealth is not distributed to the rest of society, creating poverty. In view of this, non-democratic societies are prone to perpetuate narrowly-formed elites since governments are not removed by elections. The text's main thesis is aimed at critiquing democracy (in the US and Europe) with respect not only to how governments address the claims of their respective citizens but also to the cultural conditions and issues that contributed to the development of democracy in different places:

“Why are the institutions of the United States so much more conducive to economic success than those of Mexico or, for that matter, the rest of Latin America? The answer to this question lies in the ways the different societies formed during the early colonial period. An institutional divergence took place [at that time], with implications lasting into the present day. To understand this divergence, we must begin right at the foundation of the colonies in North and Latin America”. (p 9)

In Latin America, the Spanish settlers set about stripping the indigenous leaders of their authority, and once done, Spanish efforts were aimed at creating a new elite, which obliged the native populations to pay taxes and other tributes. The Spanish conquest in the Americas was based on the idea that others should work for the Spanish crown. This founding principle forever marked the destiny of Latin America. Unlike those in the Anglo-world, Latin American elites organized the exploitation of indigenous peoples from a perspective of “monopoly of wealth,” to which they expected their colonized subjects would contribute. The British Empire, in contrast, when it arrived to the Americas, not only found no gold or other precious metals—which existed in territories that were already occupied by the Spaniards—but also had to survive via labor and trade with indigenous populations—as opposed to simply acquiring the wealth of indigenous leaders. Labor and trade with others played a vital role in configuring the political system of North America. The culture of exploitation was “unknown” in US and Canada, claim the authors—though this assertion virtually erases any trace of the exploitation done to Native North Americans by European colonizers—thereby facilitating the rapid adoption of democracy as the first form of governance. While the Latin American region included a high density population that facilitated exploitation by Iberian Empires, in North America, the British crown had problems incorporating the same institutions used by Spain and Portugal. Say the contributing authors of this text, this generated a system of incentive in North American in which hard-work and egalitarian rights paved the way for the formation of democracy.

The work is centered on a historical approach that attempts to unravel the puzzle of poverty. In the second chapter, the authors explore how poor countries find themselves in such situations not as a result their cultures or geographies but rather by their governments. The authors assert that politics induce societies to follow certain incentives while others are discarded, which explains how prosperity and poverty surface. Chapters 4 and 5 examine the historical evolution of empires as well as the problems faced by currently expanding nations (such as China) looking to maintain their rates of growth. The problem of development and loans are addressed in chapters 7 through 9. The remaining chapters are dedicated to offering a model based on democracy as a political template. The contributing authors claim that the

failure of nations to achieve democracy is determined by a “logic of exploitation,” leading to “absolutism.” This exploitation results in an atmosphere of non-participation among ordinary citizens, they say, who feel detached and disempowered, engendering dictatorial institutions, which are not prepared to successfully manage the economy. Acemoglu and Robinson argue convincingly that prosperity and wealth cannot be engineered or designed by means of rational policies introduced by experts whenever the culture is built upon an authoritarian foundation. In contrast, prosperity and wealth, they say, are the results of deliberative democracies worldwide.

Although this book offers an all-encompassing view on the convergence of politics and economy, giving readers a fresh theoretical framework, it rests on a shaky foundation, namely, ethnocentrism (or what this reviewer calls “Anglo-centrism”). An ethnocentric perspective is one that is characterized not only by the valorization of one’s own ethnic or cultural values or viewpoints as universally applicable but also the implication that such values or viewpoints are superior to any others. Simply put, an ethnocentric reality (as described by Professor Rudolf Rucker when describing the United States) is a great fallacy. The United States from its inception has contained within it both liberal and authoritarian tendencies (the latter typically being a reactionary or fear-based attempt to keep particular social or ethnic groups from enjoying the same liberties as the ethnic—White—majority). An example of this is the history of the enslavement of African Americans and the subsequent struggle of African Americans, upon the abolition of slavery, to gain the right to vote and dismantle legal segregation; Michael Omi and Howard Winant assert that the segregation of the African American population in the U.S. served to create a racialized state, within which an African American “Other” was excluded from economic progress.

Not only does the U.S. have a dubious history with respect to its own record upholding democratic ideals, democracy itself (particularly Anglo-democracy) may not be the development “cure all” that the authors claim it to be. M. Korstanje has questioned the very concept behind “Anglo-democracy,” when compared to the ancient Greek democracy. In ancient Greece, elections and voting were unknown, at least in the classic sense. Additionally, in ancient Greece, not only was slavery a valid means of providing labor, but it was also the decree of the king that slavery exist. As a last resort, the opinions of the people—the *demos*—were only considered when the citizens felt the passing of a particular law to be unjust. In an egalitarian arrangement within the ancient Greek monarchy, any Greek citizen was able to ask the Senate to strike down a law if the law threatened the public domain. We must acknowledge that in modern (Anglo) democracy, similar limitations have been placed on the rights or authority of citizens. The British Empire reformulated a new meaning of ancient democracy, more associated to trade, freedom, private property and self-determination of peoples. It received the name of Anglo-democracy. To some extent, this way of idealizing democracy was adopted by the US. Within Anglo democracy, for example, not only is a president not elected by a simple direct majority, but there is also a functional barrier between professional politicians and the society that they represent. Governments are formed by the indirect participation of their citizenships, creating a gap which is then filled by the financial contributions of major business corporations and industries, which support political campaigns. Ultimately, the “freedom” espoused by Anglo democracy is a temporary state of liberty that only is granted to the ordinary citizen in order that he may consume the produced commodities of late-capitalism (Korstanje, 2013). Indeed, democracy is not the panacea that the Anglo-centric West would have the world believe it to be, nor is Western democracy as truly “democratic” as it purports to be.

Quite aside from this, one of the aspects that leads Acemoglu and Robinson to trouble is their argument about why nations fail, which is, at its heart, based on a fundamental misconception. Their very folly validates an error of interpretation, in which the behaviors of

others are interpreted and assessed through the lens of the group to which the individuals doing the assessing belong. This means that democracy and prosperity are themselves social constructs, only valid in capitalist societies; they are not universal ideals by themselves. The correlation between them is taken as a given in societies in which they already co-exist, where there is no simultaneous serious discussion of how democracy has evolved (neither with respect to its possible diverse interpretations or the differences it may display over time). What the authors fundamentally fail to recognize is that there are many other nations that are free to choose to live in another way; there is no imperative stating that all nations should be democratic in order to enjoy the “benefits” of modern life and a capitalist economy. Indeed, paradoxically, envisaging democracy as a “universal value” is a betrayal to the self-determination of others (the very cornerstone of democracy itself).

To put it bluntly, this book falls in an ecological fallacy that places the horse before the cart. If we think that values such as prosperity, longer life spans, access to voting, and good health are good for all peoples, we must assume the rest of world should also seek them (via the same routes we used to achieve them). However, other non-western cultures may see in the West serious pathologies accelerated by Anglo democracy, such as insomnia, emotional distress, suicide, crime, job insecurity, sexual abuse, and drug abuse. This book ignores precisely what anthropology showed us one century ago: the observer sees what he believes he sees; in the case of the examination of democracy in this text, this means that the economic factors resulting from the development of Anglo-democracy suggest that Western democracy and its spirit resulted from the evolution of superior “values” over others the values of others of “weaker character.” The current discourse of rationality, embodied in the theory of development indeed poses one of the world’s more radical crises (Rajan, 2010; Stiglitz, 2003). By defining a nation’s success as a function of its degree of wealth or per capita income (as this book does), corresponds directly to an “ethnocentric” mechanism within the discipline, aimed at creating a need in non-Western societies, namely, the “need” to be “developed” and “modern.” Last, the ultimate weakness of the text is its failure to expand the discussion of development beyond the West. The text also never opened the discussion of the responsibility of international banks or financial organizations such as IMF or World Bank, which, according to analysts and academicians who delve into cultural pathologies, have contributed to the miring of third world countries in civil-war, corruption, and ethnic cleansing (Esteva & Prakash, 1998). Philosophically speaking, these very issues mirror the problem the West has of understanding “otherness”; indeed, according to this approach, “difference” is necessarily conceptualized as a glitch in need of fixing, as opposed to a legitimate and fundamental distinction in character belonging to other collective beings.

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