open-access orders. Suffice it to say that to call states with clearly identifiable forms of social organization "natural" does fly in the face of ordinary linguistic understandings of the term, especially within the world of political theory where a "natural state" is typically seen as a prepolitical (Locke), if not a presocial (Hobbes), condition. Be that as it may, the authors admirably appreciate that the "most fundamental problem societies face is managing violence" (p. 14). I would put it somewhat differently. But we do know this much: There is not one shred of evidence that any society has existed anywhere at any time that was violence free. The paleontological evidence from prehistory demonstrates clearly that prehistoric man was anything but a pacifist. This endemic problem cannot be "outsourced," so to speak. All societies struggle with it and develop moral strictures and norms to limit it to varying degrees. And any account that aims to be comprehensive must take account, in the final analysis, of moral inhibitions—norms and rules not reducible to "rent-seeking" behavior.

In sum, I recommend *Violence and Social Orders* for its audacious ambitions and the clarity of its presentation. It is a work that others can "bounce off against" quite profitably. In being so clear about their framework, the authors enable others to clarify their own.

Larry Diamond
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Any work that promises in its subtitle a conceptual framework for interpreting five to 10 thousand years of recorded human history is bound to be sweeping in scope, powerful in abstraction, and not lacking in ambition. This exciting new work by Douglass North, John Wallis, and Barry Weingast is all of these and more. While I find the book deficient in some respects, I think it succeeds in offering a valuable conceptual framework for understanding how states differ in their essential developmental properties and prospects, and in furnishing key elements of a unified theory of how states transition from violence, instability, poverty, corruption, and inequality to prosperity, stability, and freedom. A reason the authors succeed is that they show how economics, politics, laws, and beliefs are intertwined, and thus must change together in some kind of balance over time. This is a real theoretical (not just conceptual) achievement. So let me elaborate on the positive before I become critical.

When I first read the working paper that introduced the basic framework of this book, I became intellectually aroused because it spoke so profoundly to what I have observed of the process—and the failures—of political development. Many readers are bound to object that the key terms in this book—the natural or limited-access order, and the open-access order—are just new labels for old concepts, and that terms like "liberal democracy" would do just as well. But embedded in the conceptual framework they have built around these terms is a very powerful and parsimonious idea, and I would like to carry it just a step further. Not simply the natural state of social and political organization but the natural impulse of most economic, social, and political actors is to construct monopolies. That is the natural end point of competition: to drive out and destroy the competition. Preventing the construction of monopolies of power, wealth, information, market presence, and so on is the most important requirement for a successful, stable, decent, and fair society. This is what *open-access orders* achieve, though they are never wholly successful, and I wish the authors had paid more attention to the ways in which even highly institutionalized open-access orders constantly struggle—and not always very effectively—against the impulse to limit access and aggrandize rents as a result. I know this book went to press after the financial markets collapsed a year ago, but the current crisis is certainly a striking example of the fact that open-access orders are never perfect and secure; that—as

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North, Wallis, and Weingast do recognize, to be fair—there is no teleology that mandates perpetual progress; and that (as I wish they had emphasized more) the battle against the impulse to corner privilege, limit access, and enlarge rents is the only thing about human society that is truly perpetual.

But I am getting ahead of myself, for I am still on the positive.

North, Wallis, and Weingast offer a second seminal insight, one that is part of the common wisdom of our discipline and that we can find in slightly different form in Max Weber, but that hits the reader between the eyes because the authors keep pointedly aiming it there: A key element of the story of successful development—of getting from some version of the Hobbesian state to "Denmark," so to speak—is achieving what they call "impersonality"; that is, constructing political, market, and social organizations—both public and private—that are based on generalized rules and equal treatment of all individuals, rather than personal and privileged relations. Of course, this means the construction of a Weberian bureaucratic state (and I think the book could benefit from a bit of explicit discussion of Weber on bureaucracy), and also the rise of rule-based modern corporations—both "perpetually lived organizations" in that their identities are "independent of the identity of their members" (p. 23). But it also means—and this is, I think, a somewhat original insight, at least in its emphasis—the transcendence of personal, clientelistic forms of organization in civil society and party politics as well. To some extent, this was captured by Samuel Huntington's conception of and stress upon institutionalization as a crucial requirement of political order, but Huntington was mainly talking about states and parties, not the entire gamut of social and economic organizations.

I love the way this book turns on their heads the theories of interest groups as rent-seeking enemies of long-term democratic prosperity, while also pretty well demolishing the simplistic depiction of emergent democratic politics as a game of redistribution from rich to poor. The authors' alternative formulation is elegant and persuasive, solving a problem I have long had with these redistributionist theories: Open-access democratic orders meet the expectations of the lower social strata by generating public goods (not just roads and education but eventually social insurance). Thus, by enhancing human capital, these policy responses "complement markets rather than undermining them," thus sustaining "democracy as a positive-sum game" (p. 266). If only we can get an impersonal, Weberian state to do this positive-sum type of redistribution, then we are really in business.

I must also confess to a certain pleasure in finding that this book—written at the Hoover Institution, where many never stop complaining that government in the United States is too big and marginal tax rates are too high—notes that one of the things that distinguishes open-access orders, as a group, from natural states is precisely bigger government with more tax revenue to generate public goods that advance the overall welfare of society. Well, that shows you that we have an open-access order at Hoover, too. A growing body of literature on Latin America also points to the fact that its societies suffer precisely because they do not raise enough revenue in taxes to generate the public goods they need for their levels of development.

Now let me come to a few critical reflections or objections.

First, I find it troubling that a book that purports to advance a framework for interpreting all recorded human history in general derives virtually all of its historical examples from Europe and the United States. We do get a little on the Aztecs early on, and the occasional passing mention of Korea here or Argentina there, but the book essentially ignores what used to be called the Third World and entirely ignores the experience of European colonization of that world and the distinctive legacies (not all negative, by the way) that it left behind.

One legacy of European colonization of Africa and parts of Asia was artificial states deeply cleaved along identity lines. The authors do note early on, and mention once or twice later in passing, the additional burden that deep identity divisions impose on societies and states. But they do not do nearly enough with it. As Paul Collier has noted in his most recent work (*Wars, Guns, and Votes: Democracy in Dangerous Places,* 2009), unless states somehow mitigate the problem by generating some sense of overarching national identity, it is very hard for them to climb out of the poverty trap or to become much more than perpetually fragile entities. This is because of another crucial factor that North, Wallis, and Weingast mention at times in their book but also do not sufficiently develop: the need for some basis of generalized social (and political) trust. Trust is an essential foundation for the creation of perpetually lived organizations and impersonal social relations. An economist or rational-choice institutionalist could reply, in the spirit of *Field of Dreams,* "build it and they will come." That is, construct the rules and laws that ensure equal, impersonal treatment and then people will have more social and political trust. But the authors rightly note that you cannot simply transfer institutions from open-access orders to natural states and expect them to work the same way.

In the modern world, natural states are states purporting to be nations. The construction of some basis of national identity that at least takes its place along ethnic ties as a form of solidarity generating some degree of trust may be a "doorstep condition" no less important than what the three authors identify. Indeed, it may be more

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important because it is causally prior. I wonder if a modern state can get a rule of law for elites, or construct perpetually lived organizations, or especially consolidate control of the military unless it gradually eases this problem by softening and supplementing primordial lines of identity with overarching national ones.

Now let us come to the doorstep conditions, a fascinating part of the book. I think North, Weingast, and Wallis are right to emphasize early improvements in the rule of law, at least for elites, as a vital doorstep condition for climbing out of the natural state. But here is the problem of cases again: Their basic empirical argument is that there are only about 25 open-access orders in the world today—in essence, the very rich countries of the world, minus the very high income oil exporters and, I guess, minus Singapore as well. South Korea and Taiwan are coming along but "they have not completed the transition" yet (p. 27). Maybe that is true about those two cases, but I have to wonder if Italy—where one man owns the three largest TV stations, along with a political party, and happens to be prime minister, seemingly above the law—is any better an example of an open-access order that has really achieved impersonal organizations and exchange, fully open markets, a vigorous rule of law, and so on.

One of the book's shortcomings is that it does not provide a coherent list of what the authors regard as the open-access orders today, perhaps because they do not want to quibble about classifications. But this is part of the problem: If one cannot easily classify, then perhaps we need to view their four system categories—open-access orders, mature, basic, and fragile natural states—as ideal types, poised along a continuum from monopoly and misery, on the one hand, to openness and prosperity, on the other. If we are not going to draw the boundaries in ways that exclude countries like Italy—and let us not forget Japan, where a half century of near one-party political monopoly only ended after the book was published—then we should recognize that Korea and Taiwan, and probably Chile, Uruguay, Costa Rica, and several of the recent postcommunist entrants to the European Union, like Poland and Slovenia, are now also open-access orders or pretty close. And Chile got there (and South Africa and India are at least closer than their neighbors) because they have benefited historically from stronger rule-of-law traditions. But we also need to remind ourselves, in the spirit of the authors' plea against teleology, that countries can regress away from the ideal conditions of the open-access order—as a result of the relentless human tendency to find new ways to limit competitive access and corner advantage. What is happening now in Botswana in this regard bears close scrutiny; the regression there is happening precisely because the ruling party has made it structurally difficult for the opposition to displace it over the last four decades—and the opposition has not come close to doing so.

I think this work—which certainly appreciates the importance of federalism—would benefit from explicit discussion of internal variation within countries. I wish the book had taken more explicit stock of Robert Putnam's work on Italy. *Making Democracy Work* (1994) provides some important theoretical foundations for the central arguments of *Violence and Social Orders.* Note the parallel between open- versus limited-access orders and Putnam's distinction between the civic and uncivic communities—the former built on trust, social capital, civic pluralism, and law-abidingness (leading to prosperity), the latter mired in corruption, clientelism, cynicism, lawlessness, and distrust, which obstruct development. Putnam's book told the story of two Italys, North and South, that look an awful lot like an open-access order and a natural state, however "mature." But the same distinctions can be found between Kerala and Bihar states in India, for example, or between the Northeast and the South of Brazil.

One of the most disappointing aspects of this book is that it just does not adequately capture the contemporary literature on democracy. To say, as the authors repeatedly do, that the "dominant literature" on democracy equates it with elections or even competitive elections is such a distortion of what has become a very complex and robust literature that I really do not know where to begin in refuting it, nor how to do so without looking self-serving. I will just say that for well over two decades, scholars of democracy have been making pretty much these same points: decrying even competitive elections as too often superficial and wanting; noting that a rush to elections, for example in postconflict settings, could be dangerous and open up renewed violence; setting forth a multidimensional model of liberal democracy that heavily overlaps with the category of open-access orders; delineating a framework for assessing the quality of democracy in which electoral competition is only one among many dimensions, including as well accountability, transparency, responsiveness, equality, freedom, and the rule of law, to name a few. If the authors had better engaged this literature, I think they could have nuanced and enriched their discussion of the political dimensions of the open-access order and could have progressed further in thinking about how contemporary developing countries can negotiate or complete the transition to that order.

There is also a wing of democracy studies that has thought with increasing sophistication and self-criticism about where international efforts to foster the elements of the open-access order have gone wrong, and what might be more effective and sustainable means for doing so. Certainly I do not think that these contemporary international efforts—which have scored some real successes not only in transferring some of the technical institutional elements of the open-access order but also in generating the incentives for elites to adopt them—can be adequately

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comprehended simply with the book's warning (true though it is in the literal sense) that forcing these institutions onto societies that lack the underlying beliefs could unleash disorder and make them worse-off.

Let me close by congratulating the authors. It is probably inevitable that a book with such high intellectual ambitions is going to fall short in some respects. But in what I take to be its most important aim—to offer a basic and heuristic framework for understanding political and economic development as an integrated process—this book has given us new conceptual tools and taken us in new and very valuable theoretical directions.

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