

“The Origins of Political Order”
Public Lecture by **Dr Francis Fukuyama***
Linder Auditorium
10 May, 2013

I am going to talk about where political institutions come from. I believe that this is the central issue in development, because if you don't get the politics right, and by politics I don't mean just the short term political decisions, but the actual institutions around which societies are organised, then you're not going to have economic growth, you are not going to have the right kind of social development and you're not going to have a just society. Recent history clearly reveals this as truth. What was the problem in Russia after the breakdown of the former Soviet Union? It was the fact that the Soviet State collapsed. The new Russian state could not even do something like privatisation, moving towards a market economy fairly and cleanly, because it did not have a state with capacity. If you think about the difference between Norway and Nigeria, both oil rich countries, one of which is building a very sustainable trust fund for the future, the other which has actually seen increasing levels of poverty over the same period that oil revenues have flowed in. The entire difference is really in the quality of the governance there. And then if you think about East Asia, the miracles that have been beginning in Japan, Korea, Taiwan and now in China, it is my view, and I will talk about this at greater length in a moment, that a lot of this has to be located in the quality of the state institutions that is one of the historical legacies of Chinese

history. So politics matters. It matters to my country, the United States, because in the course of these two invasions of Afghanistan and Iraq, all of a sudden the United States found itself needing to build state institutions in areas of a collapsed state, and it turned out we had no idea how to do it. And I think many of the policy failures in American foreign policy over the past decade stem from this lack of awareness of the importance of institutions, the fact that we take them for granted so there is really a kind of gap in our knowledge of where they come from. This thus is going to be the subject of my talk tonight.

I am going to begin with some definitions. I am a professor, and that is what Professors do. We begin with definitions. So when we talk about political institutions, what are we talking about? It is my view that there are really three important categories of institutions around which modern politics is based. The first is The State itself. I like the German sociologist Max Weber's definition of The State as a legitimate monopoly of force that covers a defined territory. I think that this is a good definition because it distinguishes a state from a corporation, from an NGO, from a labour union, from a garden club. A state has a very specific function and that function is to concentrate power and to be able to use that power to enforce rules, to provide order, to supply services, to supply basic public goods. That is what states do. There is another important definition that also comes from Max Weber which has to do with what a modern state is. So a traditional, patrimonial state is basically an extension of the ruler's household. The ruler simply appoints his cousins and brothers and in-laws to positions of power in the state, or perhaps friends that

have been warriors with him. An impersonal state is the hallmark of a modern state. That is to say the state is staffed by people that are chosen on the basis of their qualifications and most importantly, their relationship to the state does not depend on their personal relationships to the ruler, it depends on their being a citizen and therefore the state treats you with a certain degree of equality, even before the advent of modern democracy. And so this transition from what Weber called a patrimonial state to a modern state is really one of the critical transitions that makes for modern politics. And so how that transition comes about is one of the key questions that we have to answer. The second institution that I think is critical is the rule of law. Now the rule of law these days is thrown about by everybody and everybody says we need the rule of law, we need more rule of law, but the problem is the rule of law can be plurally defined. So the rule of law can just be law and order or, it can be a certain substantive view of law that corresponds to modern Western definitions of human rights. In my view the most important characteristic of the rule of law is that there are rules, rules that are transparent, and that reflect the principles of justice in a particular community. But to be the rule of law, to be the genuine rule of law, the rules have to be binding on the most powerful people in the society, meaning the king, the monarch, the president, the prime minister. If the people that hold executive power in a particular society make up the rules as they go along, that is not the rule of law. The rule of law means that there is actually a set of rules that govern power and restrict power.

The third category of institutions that I think are important are those having to do with what I would call accountability. I use 'accountability' rather than the word 'democracy', for a specific reason, because I think that accountability is broader than our conception of modern democracy. We associate democracy with certain procedures like free and fair multi party elections. But I think that accountability is actually a broader principle, which means ultimately that the rulers of a particular political order feel that they have an obligation to be responsive to the whole community or to something like a broad public interest, rather than simply being in it for themselves. And so an accountable government is one that serves that public interest and the way that we do this in modern societies is through democratic elections. It is a formal procedure that tries to guarantee substantive accountability. However I think that even in an authoritarian society without elections, you can have different degrees of accountability. So I think there is a big distinction, for example today between the People's Republic of China and North Korea, that the Chinese Government actually tries to be responsive to citizen demands in certain ways that that North Koreans simply are not. And so although I think that 90% of accountability is wrapped up in these procedures that we associate with democracy, I think that paying attention to the substance of accountability is very important.

The other kind of background setting of the scene actually has to do with a certain amount of human biology, and this is why much of this talk comes from the last book I wrote which is called *The Origins of Political Order: From pre-human times to the French revolution*, meaning that I think you have to see

the sources of human political behaviour in pre-human behaviour, that we are evolved creatures and that the old, in a sense, early modern view of where society comes from, people start out as selfish individuals and learn to enter a social contract and become sociable because they have made a rational calculation as it is in their self-interest to do so, prevails. This is the story that Thomas Hobbes, for example, tells. Human beings are born as social creatures because the pre-cursors of human beings were social creatures. And therefore the social bonds that connect people really determine their behaviour. However, human beings have a certain very specific form of sociability which I think is defined by two principles. One is the one that was developed by the great biologist William Hamilton, which is called Kin Selection or Inclusive Fitness. The principle says that we are altruistic towards other creatures in proportion to the number of genes that we share. And so mother and father, relations with their children is more altruistic than a second cousin, and so forth. It is a principle of nepotism. It doesn't actually just apply to human beings, but really to virtually all sexually producing creatures. So that is one distinct form of human sociability. The other is what the biologists call *reciprocal altruism*. Reciprocal altruism means an exchange of gifts on a face-to-face basis and in the natural world this can exist even between creatures of different species. Certainly amongst most social species it is based on the ability to remember favours and to return them on a reciprocal basis. This is one of the foundations of human sociability. You do not need to teach a human child either of these principles; either the principle of altruism towards kin, or the principle of reciprocal altruism, they will exhibit these behaviours on a playground way before they are socialised by their

parents or the surrounding society. And so in some sense these are genetically grounded features of human sociability. But they have limitations because although a natural basis of sociability, they cannot for example be the basis for a modern state, because the modern state is impersonal. It treats citizens, not on the basis of their personal connections, but on the basis of their citizenship. And so in some sense the building of a modern political order has to be based on almost the repression of these natural forms of human sociability and the substitution of a different set of political institutions that make us, for example, want to hire the most qualified individual or the person who by background and education can actually do the job best rather than our cousin. And that in a sense, getting beyond these natural types of sociability, is one of the big challenges for politics.

I will now proceed to give you several examples by means of some historical cases about where these three categories of institutions come from. It is one of those funny things that you would think that political scientists would learn where the state comes from, because that is what political scientists study day in and day out. But there is actually no political science textbook that I am aware of where one can actually read about this. In the absence of theory, let me tell you what my view is. The story actually starts with China, because in my view China was the first civilisation, not to create a state, but to actually create a modern state. So you had states arising with the invention of agriculture in certain alluvial valleys in Mesopotamia, in the Yellow River Valley in China, in the Valley of Mexico, in the Nile River Valley, about 6000 years ago. But only in China was the transition made from a patrimonial state

based on essentially the friends and family of the ruler, to a modern bureaucratic centralised hierarchal society or political order. And the way that this was done was through warfare. Some may be familiar with the sociologist Charles Tilley's theory about the origin of the state in early modern Europe. Looking at state behaviour in the 17th and 18th Centuries in Europe he said, *the State makes war and war makes the State*. That is to say states are driven by the need to organise for military competition and military competition forces them to modernise. He was talking about Europeans four or five centuries ago. The same process had played itself out in China in the first millennium BC. So in approximately 1000 BC, Chinese society was essentially tribal. You had perhaps 1200 different polities, we don't really know what these were, but they were not states in a modern sense, they were more like tribal confederations. At the end of the Western Zhou period in Chinese history, about 500 BC, these 1200 units collapsed down to about 30 and then in the spring and autumn period they collapsed down to 16 and then by the time of what the Chinese call the warring states period, 7 were left. And at the end of that period in 221 BC, the 7 states, as a result of relentless warfare over a 500 year period, finally collapsed into one state, the State of Chin, from which the name China is derived. It was a western state that was the survivor of this Darwinian process of basically political and military struggle. But what is important is not the military side of this, but the enduring institutional legacy that this left in China. As a result of military competition, the Chinese had to actually modernise their politics. Early on in this period, wars would be fought by aristocrats riding in chariots who were selected for their personal connections through kinship, based on kinship. This did not

work so well because by selecting generals based on kinship, battles were lost. In the United States in fact, President Abraham Lincoln learned this the hard way. At the beginning of the American Civil War, the whole American system was characterised by patronage politics and so a lot of Lincoln's early generals were basically political generals that he had to appoint as a result of a political debt. They were the ones who lost a lot of the early battles to the confederacy. But the Chinese had worked this out 2500 years ago, and as a result, they began the process of selecting people on the basis of merit. To fight a war soldiers have to be drafted. The Chinese shifted from aristocrats riding chariots to infantry soldiers. And in order to put a peasant infantry army into the field there had to be resources, In order to have resources a tax system had to be developed. In order to be able to tax, an administrative bureaucracy and a logistics system to get all those resources out to armies in the field had to be in place. And all of these factors then played out in these different competitive states so that by the end of this period Chinese Government was based on civil service examination, and a centralised bureaucracy principle that bureaucratic office ought to be held by educated people. And this is the legacy that China still has. I think that to this day there are actually many continuities between government in dynastic China and the way a communist party runs China. This principle of merit is very deeply engrained as is the principle of education. And one of the reasons I think that East Asia has been extremely successful in terms of economic development, is that Japan, South Korea, Taiwan and Singapore have all inherited the Chinese tradition of government. Thus one example of where a modern state comes from, and hopefully it is not the only model because nobody wants to

go through 500 years of bloody warfare like the Chinese did or like the Europeans did, in order to get to that point.

And so to the rule of law. In my view all modern political systems really have to be based on a balance between these three institutions. The state is about concentrating power and using it. The rule of law and institutions of accountability are about limiting power, about constraining power. And one of the problems with the Chinese was that they learnt very early on how to create a centralised dictatorial state, and that meant that they created the world's first (in a certain sense) proto-totalitarian government, because it actually was not constrained by the rule of law. Where did these constraints come from? Where do legal constraints on political power come from? If you look around the world you will find that they really come out of religion. In many traditions it is religious authority that is the only source of law that is strong enough to stand outside the state and actually put limitations on what powerful people can do. And this is something that is held in common by Ancient Israel, by the Christian West, by the Muslim world and by Hindu India. In all of these societies there were religious hierarchies made up of priests, or for all practical purposes, jurists, who took a body of written religious law, interpreted it and applied it. And in all of these societies there is at least a principle that political authority had to follow legal rules. Thus in India, there are the origins of the caste system in the so-called four Varnas. The top Varna is the Varna of Brahmins, and what is a brahmin? A brahmin is a priest. A brahmin comes from a class of people whose job it is to interpret and apply the veda texts. Below them is a level of people called Kshatriyas, who are

warriors. So the guys with the coheres of power are distinctly subordinate to the class of priests, and in Indian politics and in Indian social order, the rajah or king, has to go to the brahmin to get sanctification and be afforded legitimacy. And so in that system you have limitations on political power built into the religious structure of the society. Similarly, in later years in the Arab world, there was a division between the power of the Sultan and the power of the Khalifah. The Khalifah presided over an Ulama, which was a network of scholars who interpreted Sharia, and Sharia was seen as a limitation on the power of the state. What is termed Islamic fundamentalism today is actually a form of longing on the part of many people in the muslim world who see unbridled executive power, corruption, abuse of power, and they want that subjected to the law. I mean they want it subjected to Sharia law, but they want it subjected to law because historically in the muslim tradition, law has been a break on abuses of power. The only world civilisation that really does not have the rule of law in this sense, is China, and I think the reason for this is that China never really had a transcendental religion. They had ancestor worship, they had Daoism and Buddhism which really in Chinese history were more protest religions than state religions. But they never really had anything like Hinduism, Catholicism or Islam that created this counterweight to state power, and to the present day, the legal tradition in China has been the weakest, I think, of any major modern civilisation. At this point let me tell you a story about the West, because I believe that Europe actually developed the deepest legal tradition, and in fact the characteristic, the exceptional characteristic of Western political development is that it was actually the rule of law that developed prior to the development of the state. The rule of law in

Europe really dates from the consolidation of the Catholic Church as a guardian of law of ecclesiastical law. The crucial events of this story all happened way back in the 11th Century when a charismatic and powerful pope, Gregory VIIth, decided that the Catholic Church enact an internal reform: celibacy for the priesthood. Prior to this priests and bishops could marry and they could also get involved in all of the nepotistic politics of European leadership Pope Gregory said that the Catholic Church was not going to be able to exercise moral authority unless it cleaned up its own act. So priests and bishops were forbidden to marry. Many modern Catholics do not understand that there is actually no support in the Bible for this. The decision was a pragmatic one made by the pope to prevent priests and bishops having children. He was under no illusion that his priests and bishops were human beings and that they were going to behave just like human beings - scheme to get their children placed in benefices and pass down their power to them. He thus made this impossible by not allowing them to marry and procreate. This becomes law in the Catholic Church and what follows is a huge struggle between Pope Gregory and the Holy Roman Emperor, Henry IV. Henry is excommunicated as the struggle is over who gets to appoint priests and bishops in the church. Previously it was princes, that up to this point, had done this. And then Gregory said that the church cannot act as an independent authority unless it can in effect appoint its own cadres. A big struggle ensued which ended with Henry penitent in the snow, seeking absolution but following this, he launched a 40 year war against the papal seat which eventually resulted in a settlement in which the church was given permission to control its own personnel. It was at this the point that the

church rediscovered the Justinian Code, a codification of Roman law that had been buried in an attic in Italy. A law school was founded at Bologna, the oldest law school in Europe, and Roman law began to be taught to generations of lawyers across Europe with schools in Paris, Copenhagen and Oxford among other places, subsequently founded. So the origin, a very deep tradition, not just of law, but of an independent legal institution, really arises out of this struggle for institutional independence on the part of the Catholic Church. And this has very deep implications for subsequent European political development, because law develops before state power. A modern state did not arise in Europe until the struggles of the 17th and 18th Centuries, when many European monarchs like Louis XIII and Louis XIV in France or Charles XII in Sweden, all of a sudden decided that they wanted to behave like Chinese emperors. They wanted to create a consolidated, unified, hierarchal, absolute estate. Many of them succeeded in doing this, but one of the things that stood in their way was a prior tradition, a deep tradition of law, which prevented them from being able to impose their rule on elite subjects. They were able to do whatever they wanted to the peasants and the non-elites, but they were obliged to treat their elite subjects according to the 'deep tradition' of law. This shaped much of European history at this time. It was one of the reasons that Germany did not unify until the 1870's. The Holy Roman Empire had been run by lawyers who would tell the princes what they could or could not do based on contracts that might have been signed up to 2 centuries previously. So this is what made European development quite different, and it also secured property rights and created an important institutional basis then for European economic development. There was an

independent legal institution that could do things like guarantee the sanctity of property so that when the capitalist revolution happened, a legal structure that was very conducive to that kind of development was in place.

The final institution is democracy, or institutions of accountability, and the question is where do they come from? I would suggest that the answer is virtually an historical accident, the survival of a futile institution into modern times that evolved into something that was actually very useful. In the Middle Ages, every European country had an institution called an estate. It was called a seigneurial court in France, quartez in Spain, zemskiy sobor in Russia, diet in Hungary or Poland, and a parliament in England. And these were medieval bodies which under medieval law the king had to go to, in order to raise taxes. There was a constant struggle over time, and kings wanted to get this taxing authority away from these estates and have control over it. And so in one country after another there was a prolonged struggle, essentially over taxation authority. The monarchy (the state) won in France and in Spain; it won big time in Russia. There was only one country in which the balance between the monarch on the one hand and parliament on the other was pretty evenly balanced, and that country was England. In the 1640's Charles I tried to expand his power, like the continental monarchs were doing, but parliament was well enough organised to take up arms, raise a militia and fight the king in a civil war. They eventually defeated him, cut off his head, ran a form of Republic that did not work so well. They reverted back to a struggle that coalesces finally in something called the Glorious Revolution in 1688/89 when they forced the last steward, James II off the throne for a

whole variety of abuses of power, and they brought a pretender, William of Orange from the Netherlands who became the founder of a new dynasty based on a constitutional settlement that embodied the principle, *no taxation without representation*. That is to say, the king was not able to raise taxes unless he reverted to parliament for permission. Parliament represented the taxpayers and therefore the authority rested with it. This formed the basis of accountable government. And if you think about why resource rich countries in the world today have terrible government, it is because they do not have to tax; they do not have to implement this principle of no taxation without representation because all the money comes out of the ground with no effort at all. And so the state gets these resource rents and they do not have to go to their citizens and ask them permission for anything. And that is one of the reasons that you have a political resource where you have unaccountable governance in countries that actually don't have to tax.

The great English philosopher John Locke, was actually living in Lyden in Holland at the time of the Glorious Revolution. He sailed back with Queen Mary to London as the new dynasty was forming. He penned the second treatise on government that said that just government is a result of the consent of the governed. It is a very critical principle, along with no taxation without representation. This moment of the Glorious Revolution was less than 100 years away from the American Revolution of 1776, in which Thomas Jefferson penned the words that *all men are created equal* and in which the young republic of the United States established a constitutional order based on the very principle of no taxation without representation and, legitimacy

coming out of consent of the governed. And so it was actually not a lot of historical time between these events, the English Civil War and the survival of this curious futile institution called parliament, the establishment of the American Republic, and American Constitutional Democracy. The US became extremely successful because of its ability to create a facilitative environment for economic growth, for property rights, for a market economy that became very rich and powerful in the next 200 years and in a sense set the pattern for the modern world. But in some sense, that outcome was not predetermined. It was accidental, based on a set of contingent circumstances, and subject to perpetual threat, because in fact natural human tendency wants to favour friends and family and this is always going to come to the surface, and try to break in, in some way.

I would now like to bring the story up to the present. I have actually drafted the first volume of this book, it only takes the story up to the French Revolution, and I have now produced a draft of the second volume, which will be published in about a year, that modernises the story to some extent. But I think that actually many of these deeper historical patterns are manifest in contemporary politics in today's world, because I think that some of the political outcomes have much deeper political or historical roots than some people realise. For example, taking the difference between modern India and modern China: We all know modern China is a communist dictatorship, there are no elections and no formal accountability. India, since its founding, has been a constitutional democracy, and many people would say that the difference between these two countries lies in the fact that there has been a

communist revolution in China and that Indian democracy is a by-product of British colonialism - an inherited institution. Now all this is right, up to a certain point, except when you look at the longer scope of the history of these two civilisations. You will realise that in fact they both reflect patterns that are very, very old. That is to say, Chinese centralised government is a tradition that is more than 2000 years old in China. And so in Chinese history after this original Chin unification, the default situation of China is to be a centralised unitary state. Every few hundred years that state fell apart. There was an inter-dynastic period of turbulence, sometimes lasting for a couple of generations, and then it would come back together as a centralised bureaucratic, rationally organised, political entity. If we look at Indian history over that same period, it is almost the complimentary opposite. That is to say India, was a unified centralised state, only on a couple of occasions. So the first one happened during the Mauryan dynasty (321-185BC) around the time of the Chin unification in China. There was one family that managed to unify about two thirds of the sub-continent under a single hegemonic empire, but it fell apart within two or three generations, and then India went back to being a highly decentralised group of much smaller political units. And then there was another empire under the Guptas, in about the 3rd century AD, after which the Moguls invaded in the 12th century followed by the British, until centralised government reappeared in India. And so in fact the last two unifications were actually supplied by foreigners, not by Indian rulers themselves, thus almost mirror opposite of China. The default state of China is to be a centralised bureaucratic state, and the default state of India is to be a highly decentralised system of smaller polities. I am not arguing like Amartya Sen, that there is a

deep tradition of democracy in India, but what I am saying is that there is no historical precedent in India, for dictatorship, centralised, Chinese style, totalitarian dictatorship, because Indian society is very, very strong. No one who has ever tried to rule India has ever been able to penetrate the caste nature of Indian society. Whereas in China you can see the powerful state at work in engineering projects - the Grand Canal, the Great Wall. In India over the course of a similar period of time, there has never been a state powerful enough to create the kind of political power to produce similar engineering feats. And you can see this today in the contrast between these two societies. So what is Contemporary China famous for? It is famous for things like the high-speed rail, and great airports or subways that are being built in a gazillion Chinese cities. The Chinese are really great at big infrastructure projects. Why can they do this so easily? Because they're a dictatorship and they don't have a strong civil society. Their society has very little ability to resist the power of the state. So if the state wants to do something like build the Three Gorges Dam that requires moving 1.3 million people out of the flood plain, they just do it. Whereas in India, there is a very strong civil society, there are labour unions, there is a legal system, there are mobilised peasants, there are NGOs. There is a lot of density to the society that is able to resist penetration by the state and reserve a much greater degree of liberty. China can do things that require strong collected action. On the other hand in India, you have a much stronger private sector and private initiative. So in this sense the fates of these countries are subject to a long historical genesis. But, I do not think that any of these historical patterns are determinative of the future of societies. And it is in my second volume, that that story gets told.

Around the year 1800 something very dramatic happened. For all of the prior forty thousand years of human history, if you look at Pro-capita GDP in all parts of the world, in Europe, in China, in the Americas, it bumps along barely above subsistence level. Thomas Malthus, an English minister wrote a book in 1799 called *An Essay on the Principle of Population* in which he said that basically human beings are caught in this trap that although you can have technical improvements in productivity, population will always catch up with you, and therefore the pro-capita assumption of food is never going to get above a subsistence level, what economists have come to call a Malthusian trap. And I think that actually much of the world was caught in a Malthusian trap up until the late 18th Century. So for the first several thousand years, GDP just bumps along. It goes up a little bit during the era of the Roman Empire and then falls again. In the Middle Ages, China and Europe trade places at various points, and then all of a sudden in Europe GDP just starts shooting up, beginning in the early 19th Century, because of industrialisation. And that is in the world we have been living in for the last 200 years, where we expect routine increases in productivity year on year. This expectation has an incredibly big impact on politics. Today we live in a world of iPhone 4's and if you don't get the iPhone 5 you think that something is wrong. We are constantly expecting technology to produce these miracles. That however has not been human experience for most of human history. So a question to ask is what is going to happen if we actually have hit some absolute limits in terms of the kind of growth that technology can provide as a result of global warming?

Thus we have been living in this very unusual world for the past 200 years, in a world in which economic growth reshuffles the social deck continually. As societies modernise in economic terms, you get a massive regeneration of the social nature of politics. You have first the growth of a middle class. Carl Marx refers to this as a bourgeoisie, people owning property achieving a higher degree of education and thus material wealth that they are interested in protecting. Then there is the growth of an industrial proletariat who have a very different kind of life. They live in cities where they are connected to other people, they are literate, they have to have a certain level of education to work in a factory, compared to the cousins that they left behind in the country side, and all of this provides for new social groups that mobilise, and ultimately they want to enter politics. So the middle class and the proletariat is what defines European politics in the 19th and 20th Centuries. Economic modernisation was changing the nature of the society. And this is exactly what is going on today in China, in South Africa, in Brazil, in India, in every developing country. There has been tremendous economic growth in all of these nations, and so all of these long-standing historical patterns of political power are now being challenged because the social deck is being completely restacked. In China it is estimated that the middle class is anywhere from 300 to 400 million people. These are the people that are on their cell phones all the time and who are tweeting back and forth. You may remember a couple of years ago there was a big accident in the Chinese high speed rail system where a train derailed and a lot of people were killed. The Railway Ministry's first instinct was to bury the cars that were involved in the wreck, so that nobody could find out

what went wrong. But enough people with their cell phone cameras took pictures of the accident and they posted it on Sina-Weibo the Chinese equivalent of Twitter, and word got around. It became so embarrassing for the government that they had to dig up the railway cars and launch an investigation. In time, the railway minister was sacked and further institutional changes were made. This story is indicative of the kinds of political changes that happen when a society begins to reshape itself as a result of a modernisation process. And so I think that actually something like democracy becomes very hard to resist in a society that is growing in which there is massive political mobilisation; in which you have much higher levels of wealth that people want to be able to protect; and in which there are much higher levels of education. And that is why there has been approximately a quadrupling of global economic output between 1970 and the early 2000s. It has led to the emergence of very different kinds of populations all over the world, creating the basis for a very different kind of politics. So I think that you can well apply this to your own country where you have great economic, social and political inequalities, where you have moved to a democratic political system where there is formal inclusion, but a lot of de facto social exclusion against the backdrop of a society that is really changing very rapidly at a grass roots level. These conditions produce incredible turbulence in politics today.