

# Prosperity and Violence

Political Science 225  
North Dakota State University

# Economic Development

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    - Land, factories, equipment, etc
    - Infrastructure
    - Education and skills
    - Research & development
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- Organization/Institutions
  - Structures actors' incentives
  - Advances or retard capital development
  - Can create (dis)economies of scale

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  - Privately supplied by families
  - Must provide credible deterrent
  - Feuds

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  - Rule of law and monopoly on violence
  - Co-opting elites

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- Independent variable: need to conduct war
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- Causal mechanism:
  - Leaders who face the threat of violent conquest need a lot of cash
  - It is impossible to stay militarily competitive without institutions that encourage investment in capital
  - Secure property rights, rule of law, and representative government help insure investors
  - Leaders who face little external competition can survive on extractive policies

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- International context
  - Early modern states emerged in anarchic system
    - Monarchs needed funds to fight wars
    - Wars were expensive and required development
    - Monarchs were forced to develop institutions favoring growth
  - Modern developing states emerged in Cold War era
    - World powers tried to minimize conflict in the 3rd world
    - Inefficient states were not conquered
    - Modern leaders didn't need effective institutions