THE ECONOMIC SOCIOLOGY OF DEVELOPMENT

ANDREW SCHRANK

CONTENTS

List of Tables

List of Illustrations

Economy and Society series

Patrik Aspers, *Markets*

Nina Bandelj & Elizabeth Sowers, *Economy and State*

Bruce G. Carruthers & Laura Ariovich, *Money and Credit*

Miguel A. Centeno & Joseph N. Cohen, *Global Capitalism*

Francesco Duina, *Institutions and the Economy*

Yuval Elmelech, *Wealth*

David Knoke, *Economic Networks*

Jeffrey J. Sallaz, *Labor, Economy, and Society*

Andrew Schrank, *The Economic Sociology of Development*

The Economic Sociology of Development

Andrew Schrank

polity

First published in 2023 by Polity Press

Polity Press
65 Bridge Street
Cambridge CB2 1UR, UK

Polity Press
111 River Street
Hoboken, NJ 07030, USA

ISBN-13: 978-1-5095-0529-6

A catalogue record for this book is available from the British Library.

Library of Congress Control Number: 2022941552

For further information on Polity, visit our website:
politybooks.com

Acknowledgments

My thoughts on the economic sociology of development have been informed by conversations with a multitude of friends, students, and colleagues over the years. They include Dan Breznitz, Sam Cohn, Candelaria Garay, Nafisa Halim, Hsu Huang, Greta Krippner, Marcus Kurtz, Deepak Lamba-Nieves, Juan Pablo Luna, Gerry McDermott, Kristen McNeill, Vicky Murillo, Dietrich Rueschemeyer, Clemente Ruiz Durán, Steve Samford, Ken Shadlen, Josh Whitford, Juan Bogliaccini and his students at the Universidad Católica del Uruguay, and Chris Yenkey and the participants in his “Globalizing Organization Theory” workshop at the University of South Carolina, none of whom are responsible for my oversights or errors. Special shout-outs go to Kevan Harris, Felipe González, Aldo Madariaga, and Aeron Hunt for their encouragement; Karina Jákupsdóttir and Jonathan Skerrett for their patience; the anonymous reviewers for their feedback; Gail Ferguson and Evie Deavall for editorial feedback; and CIFAR for intellectual and material support. I dedicate this book to Mike Piore, though it will do neither his scholarship nor his friendship justice.

Preface: The Scope of this Book

What is the economic sociology of development? The answer depends first and foremost on what we mean by "development." I'll devote an entire chapter to this in the pages that follow, but for now let's just say that it's economic growth and its typical concomitants: urbanization, education, fertility and mortality decline, etc. This leads to a related question: Does the word "development" in the phrase "economic sociology of development" refer to a *process* – to be conceptualized, measured, explained, or invoked by economic sociologists – or a *place*: the so-called Global South? The answer delimits the boundaries of this book.

The question itself may seem silly. Most dictionaries define development as "the process of developing," or something similar, and make no mention of geography. So the answer – development is a *process* – would seem self-evident. But "metropolitan sociology" (Connell 2010) is decidedly parochial. It focuses almost exclusively on the metropolitan societies of Western Europe and their former settler colonies in North America and the Antipodes and assigns almost any study that takes place in the Global South to a poorly defined "sociology of development."[1] So an ethnographic study of an impoverished neighborhood in the United States is related to urban sociology, while an ethnography of a shantytown in Lima is a contribution to the sociology of development. Nor is methodology central to the assignment or assessment. One finds similar inconsistencies in the classification of survey-based and quantitative research on problems and processes like education, deviance, secularization, and family formation as well: if their data come from the Global North, they're assigned to a substantive subfield rooted in a common theory or problem; if their data come from the Global South, they're assigned to a more encompassing – but less coherent – field of "development" that's really just a residual category for any and all scholarship that takes place outside the metropole.

I balk at this division for two principal reasons. First, I think it's inimical to sociological progress. No less an authority than Emile Durkheim understood that "more advanced societies" could only be understood by way of comparison with their "less developed" counterparts (Lukes 1982: 10), and his sentiment rings no less true today than a century ago, despite his anachronistic language. And, second, I think it reproduces the broader tendency not only to define "the metropole as a world unto itself" (Connell 2010: 76) but to give that world priority in social research and theory. When problems and processes that are analyzed on their own terms in the North are treated as mere aspects of development in the South, the "metropole/periphery division" (Connell 2010: 78) reproduces itself to the discredit and detriment of the latter.

I didn't set out to write a comprehensive survey of sociology in the Global South. I have neither the expertise to do so nor an interest in reproducing the existing divisions, and I'm therefore limiting my focus to development as a social and historical process. Where does it come from? How does it manifest itself? And how do the answers vary over time and place? Issues like education, deviance, secularization, and family formation will come up, of course, but mostly as they relate to the broader process of development and not as outcomes to be explained in their own right. The same can be said for an array of problems and processes in the Global South that deserve much more attention than they currently receive in metropolitan sociology: aging, identity, protest, and professionalization, to name but a few. Where they weigh upon the broader process of development, they'll be addressed to the best of my ability. Where they're outcomes in their own right, however, they'll be left for somebody with more time and expertise. This isn't an assessment of their importance; on the contrary, it's a recognition of my own limitations.

In short, this is neither a survey of sociology in the Global South nor a thoroughgoing evaluation of any single subfield in the periphery; it's an effort to understand the process of development by drawing upon sociological theory and methods, particularly theory and methods associated with the subfield of economic sociology (Smelser and Swedberg 2005; Krippner and Alvarez 2007; Granovetter and Swedberg 2011). I have long worried that the discipline of sociology and the subject of development have drifted too far apart, at least in the Anglo-American world where I spend the bulk of my time, and I'm writing this book in a self-conscious effort to bring them back together: to bring the issue of development back into the core of sociological theory, and to bring the core of sociological theory – particularly economic sociology – to bear on the question of development. I can't do so without drawing upon a broad array of sociological theory, and I plan to draw upon classical and contemporary theory in the pages to follow.

In doing so, moreover, I'll draw broad conceptual distinctions and leave many details and subtleties to the side. According to the late Clifford Geertz, to whom I'll return in short order, Max Weber once said that it's "only because things are so very confused in practice that we must make our distinctions clear in theory" (Geertz 1956b: 157). I have no idea whether Geertz's quote is accurate or apocryphal. But I completely agree with his sentiment. And I therefore try to invoke, introduce, and defend categories and classifications that are neither natural and self-evident nor pure social constructs but are instead subject to at least a "pragmatic definition of objectivity" (Zuckerman 2012: 232). What this means in practice is that I go to great lengths to distinguish "social facts" like marriage and money, which couldn't exist without human agreement and institutions, from "brute observational facts" like rivers and rising temperatures, "which exist whether or not there is agreement that they do" (Ruggie 1998: 856), and try to figure out whether and how the latter constrain the former. The result is a pragmatic alternative to both "pure realism," which tends to take institutions that are both malleable and controversial for granted, and "pure constructionism," which is oblivious to objective constraints on human behavior (Zuckerman 2012: 231).

Finally, I'm not taking a normative position on the desirability of development itself. Some view it as a worthy, or self-evident, goal (World Bank 2019). Others are profoundly skeptical for various reasons (Escobar 1995; Ziai 2013). But almost nobody denies the differences between the "developed" and "developing" worlds, or the "core" and "periphery" of the world-system, and I'll therefore do my best to leave the normative questions – on which I am of mixed minds – to the reader and focus my own attention on the empirical.

The book is intended for undergraduate and graduate students who are already familiar with the foundations of sociology. If read carefully, however, I think it could be understood by readers who lack a sociological background. The first chapter begins by documenting the "epistemological break" that occurred between the belle époque, when "imperial sociology" addressed the question of development in an admittedly Eurocentric fashion, and the mid-twentieth century, when "empirical sociology" in the United States in particular turned inward to address the “problems of metropolitan states” (Connell 2010: 74–5) and relegated the study of development to an interdisciplinary field populated by a broader array of social scientists. It goes on to chronicle the breakdown of interdisciplinary development studies in the decades that followed, when economists began to impose northern models and assumptions – including the full employment of all resources and self-interested behavior of individuals – on southern societies, and sociologists got distracted by an internecine struggle between adherents of modernization theory, on the one hand, and neo-Marxism, on the other. It holds that partisans of these distinct sociological perspectives contributed to their own marginalization (Viterna and Robertson 2015: 246) from the broader debates on development by embracing one, but not both, of the core economic assumptions: the full employment of all resources, in the case of modernization theorists; and self-interested behavior, in the case of neo-Marxists. And it concludes that an *economic sociology of development* would part company with both *mainstream development economics* and the traditional *sociology of development* by, first, abandoning both of these ahistorical assumptions and, second, taking actors, organizations, and institutions in the Global South – no less than in the Global North – on their own terms. Subsequent chapters bring sociological insights to bear on: the conceptualization and measurement of development (chapter 2); the structure and status order of the international economy (chapter 3); the correlates and causes of upward and downward mobility within that hierarchy in the Cold War era (chapter 4); the origins and diffusion of national development strategies since the Cold War (chapter 5); and the prospects for the economic sociology of development in the years ahead (chapter 6). In the end, I hold that development: entails more than just economic or output growth; demands sociocultural and not merely policy change; is likely to pit countries and people against each other, particularly in a world of finite resources; and is therefore no less the province of sociology – with its focus on culture, conflict, and order – than of economics and the related social sciences.

Notes

1. The term is defined by neither the bylaws of the American Sociological Association's official section on the sociology of development nor the website of the journal *Sociology of Development*, published by the University of California Press (University of California Press 2021). The ASA section claims to promote "the study of societal development within the discipline of sociology" (ASA 2021), without defining "societal development," and the journal addresses "issues of development, broadly considered," including "economic development and well-being, gender, health, inequality, poverty, environment and sustainability, political economy, conflict, social movements, and more." It's hard to know what's not eligible for inclusion.

1
Introduction

Why do migrants from “developing” countries like Mexico, Morocco, and Sri Lanka take their lives in their hands in an effort to reach “developed” countries like the United States, Spain, and Australia (Feldmann and Durand 2008; Siegel 2013)? Why do Bangladeshi garment workers earn less in a month than North American consumers pay for a pair of the pants they stitch together in a few minutes (Wolf 2010)? Why does a resident of Delhi have to work for a week and a half to buy 100 kilograms of rice when his cousin in London can do so in a single day (UBS 2006: 11)? Does the prosperity of the Londoner presuppose the poverty of the Indian (Hickel, Sullivan, and Zoomkawala 2021)? And is “the number of hours it takes an unskilled male to earn enough to buy 100 kilograms of the staple food grain” (Wade 1990: 39) really a good measure of the depth of hardship, or the prospects of the poor, in today’s world?

Most contemporary observers look for answers to questions like these in economics. Professional economists tend to dominate donor agencies like the World Bank and the International Monetary Fund (IMF), occupy core cabinet ministries at the national level, and hold a commanding presence in the mainstream and social media (Markoff and Montecinos 1993; Best 2018: esp. ch. 6). Their worldview is dominant in both the policy schools that train elite bureaucrats and the law schools that mold the judiciary (Popp Berman 2022: 20). And the “dismal science” is frequently portrayed as the “queen of the social sciences,” much to the chagrin of sociologists – whose limited intellectual and policy influence extends to issues like aging, crime, education, and poverty that are by all accounts central to their discipline (Wolfers 2015). But for all of their power and influence, mainstream economists have left a number of questions unanswered, including the nature of development itself, whether it's a zero-sum game or a positive-sum competition, its institutional requisites, and their apparent inimitability.

This book therefore offers a sociological alternative by asking four related questions: First, what do we mean by development? Is it synonymous with economic growth, or does it convey a broader and/or more subjective notion of human potential and well-being? Second, is development gradational or relational? Is it more like a footrace, in which all countries move forward at different paces, or a football game, in which some countries win by overwhelming and enervating others? Third, whether you think development is more like a "gradational" footrace or a "relational" football game, what differentiates the winners from the losers? What's the winning formula? And, fourth, why don't all countries adopt the winning formula if it's available? What holds some back?

The classical sociology of development

These questions are hardly new to sociology. After all, the standard origin story portrays the discipline as a late nineteenth- and early twentieth-century effort to come to grips with the growth of "modernity," including industrialization, urbanization, and education, in the "western" nations of Europe, North America, and the Antipodes (Bottomore 1971; Ritzer 2011). And sociology has at times been labeled, or perhaps reduced to, the "science of industrial society" (Collin 2011: 206), one that's distinctly “modern” in origins and orientation (Greenfeld 1996a: 3). While this view has come in for considerable criticism of late (Connell 1997), three key aspects of the classical sociology of development are not in serious dispute.

First, for whatever reason, and however labeled or explained, key differences between “the West and the Rest” (Hall 1992) had taken hold by the start of World War I. Life expectancy at birth had almost doubled in the West and barely moved in the “rest” over the course of the previous two centuries (Maddison 2001: 31; see also Riley 2005). Literacy gaps between the two “regions” were similarly pronounced and relatively recent in origin (Abel and Bond 1929; Winthrop and McGivney 2015). And European sociologists were at least broadly familiar with these, and related, differences in part due to colonial contact (Connell 2010: 74). The question was less whether the differences were real or imaginary, therefore, than how to understand and interpret them (Connell 1997: 1520).

Second, early sociology highlighted the idea of “global difference” (Connell 1997: 1517) between an allegedly “civilized” metropole and a putatively “primitive” periphery. The so-called classical sociologists didn’t so much ignore the non-western world as treat it with contempt. When Marx referred to “the idiocy of rural life,” for example, he was expressing a common sentiment (Jepperson and Meyer 2011: 64), and the non-western world was largely rural. Urbanization was another relatively recent difference between the metropole and the periphery (Sjoberg 1955).

And, third, the most influential approaches inspired at least three different accounts of the divergence of the West and the rest that continue to animate and inform research today. The first is broadly Marxist in orientation and traces the “rise of the West” (Hall 1992: 187) to the emergence of “capitalist” labor and property markets in northwestern Europe (Brenner 1986). The second is largely Weberian in origin and assigns responsibility to the emergence of impersonal rule by expert judges and bureaucrats in Western Europe more generally (Lange 2005). And the third is associated with Durkheim and his notion of “collective consciousness” (Rueschemeyer 1994: esp. 66–7). While their influence has waxed and waned over time, the Marxist, Weberian, and Durkheimian approaches offer essential background to the material to come and merit a brief exegesis.

Capitalism and development

In their efforts to explain development outcomes, orthodox Marxists ask two questions of the direct producers – e.g., workers, cultivators, hunter-gatherers – in any given society. First, do they have access to the means of their own reproduction or survival? If they’re able to grow, hunt, or find food on their own, without recourse to trade or market exchange, the answer is yes. And, second, are they subject to extra-economic coercion by non-producers? If they’re forced to work for the non-producers on an involuntary basis, whether directly or indirectly, the answer is also yes. And the answers to these two questions leave us with four possible incentive systems, or “modes of production,” and their corresponding outcomes, summarized in Table 1.1.

When the direct producers are free from extra-economic coercion and have access to the means of reproduction, they’ll have neither an incentive to maximize wealth and investment nor the institutions they would need to do so (e.g., retail and wholesale outlets, credit markets, courts, etc.); instead, they’ll feed themselves and their families and cycle between good times marked by abundance, leisure, and population growth, on the one hand, and bad times marked by scarcity, mortality, and stagnation, on the other. Shifts from good times to bad, and vice versa, will largely be driven by changing demographic, epidemiological, or meteorological circumstances. And the "subsistence economies" that result are unlikely to give rise to either rapid growth or significant inequality (Samuelson 1971: 407; see also Domar 1970).

Table 1.1 Modes of production and their predicted consequences in the Marxist tradition

		Are the direct producers subject to extra-economic coercion?	
		No	*Yes*
Do the direct producers have access to their means of reproduction?	*No*	Capitalism: surplus production, productive investment, and growth	Slavery: surplus production, unproductive investment, and stagnation
	Yes	Subsistence economy: cycles of prosperity and stagnation	Feudalism: surplus production, unproductive investment, and stagnation

When they're subject to extra-economic coercion, however, the direct producers will generate a surplus that will be appropriated by non-producers, like feudal landlords (or seigneurs) and slaveholders, who are compelled to compete by "investing in the means of coercion, rather than the means of production" (Brenner 1986: 42). The enserfed have access to "plots of their own," for example, but are legally obligated to devote part of their time to the lord's land and/or pay feudal dues of various sorts (Elster 1986: 86), and the enslaved are human chattel who lack the right to their land and output and devote almost all of their time to the demands of their owners.[1] The production of surplus crops by the enserfed and enslaved, and their appropriation by landlords and planters, are therefore indisputable and indispensable elements of labor-repressive agriculture. But the seigneurs and slaveholders who appropriate the surplus are by their very nature at risk of rebellion or attack and are therefore forced to allocate the surplus not to the development and deployment of new techniques and technologies but to the procurement of weapons, warriors, and watchmen. Otherwise, they risk overthrow by their subordinates or defeat by rivals who are themselves well-armed and belligerent, and the “development of the means of coercion at the expense of the development of the means of production” (Brenner 1986: 42) is the likely result.

In other words, the landlords and planters who exploit labor-repressive agriculture are compelled to compete not by investing their surplus in the “forces of production” that underpin dynamic economies but by allocating their surplus to the “forces of repression” that keep their unruly subordinates under control and their rival landholders at bay. When they emerge victorious, therefore, they retain their wealth and status but forgo the opportunity to raise productivity, for productivity gains presuppose investment in infrastructure, tools, and technology, not in arms and armies. And the resulting modes of production are thus inclined not toward growth and development but toward long-term conflict and stagnation. The demise of slavery and serfdom in the late second millennium arguably underscores this point. Both systems of labor control died violent deaths and left underdeveloped economies in their wake.

Growth is therefore most likely in capitalist societies that create an entirely different incentive structure by depriving non-producers of the means of repression and producers of the means of reproduction. Producers who are free from extra-economic coercion and lack access to the means of reproduction are both allowed and – in some sense – compelled to look for the best-paying jobs available.

Otherwise, they'll starve. Non-producers who lack the ability and authority to coerce producers are left with little choice but to hire workers for a wage, on the one hand, and maximize their productivity, on the other. If they fail to do so, after all, they'll lose market share to rival producers who make and sell better products than they do for less money. And the employers who constitute the dominant class under capitalism therefore redirect their surplus not into arms and armies but into new techniques and technologies in an effort to capture market share. Marxists tend to refer to this as capitalism's “GOD imperative, for Grow or Die” (Kunkel 2011) and to debate its relative merits – ranging from raising material living standards to fostering ecological catastrophe.

This is a powerful account that has much to offer, but it raises as many questions as it answers, not least with regard to the origins of capitalism itself. We have good reason to believe that capitalism emerged in northwestern Europe in the later Middle Ages, and was subsequently disseminated to the New World, Northeast Asia, and parts beyond by means of mimicry, military conquest, and settler colonialism. And we have no less reason to believe that the “original transition from feudalism to capitalism” was less the result of some grand design than the “unintended consequence” (Brenner 1977: 78–82) of persistent conflict between serf and seigneur. While the serfs were able to gain their freedom through a combination of fight and flight, according to historian Robert Brenner, they were unable to take control of the lord's land or gain access to the means of reproduction (Brenner 1976: 51). And this left both parties on the horns of a dilemma: the lords had land but nobody to work it; and their former serfs were effectively “free to find a job” in a society that lacked a functional labor market or “free to starve if they couldn't” (Rediker 1987: 17). It was in this context, according to

Brenner, that richer peasants (i.e., tenants) began to rent land from the lords, pay ex-serfs and their descendants to work it, and undertake improvements – like irrigation, fertilization, specialization, and animal husbandry – on pain of either defeat by competitors who undertook improvements of their own or eviction by landlords who wanted to maximize rents (Brenner 1977: 76; see also Brenner 1976: esp. 64). If the tenant did not maximize productivity by undertaking improvements, Brenner argued, he would fall into a vicious circle of declining profit, declining funds for reinvestment, and eventually "eviction by the landlord, who could then seek a new tenant more able to make the necessary improvements to compete on the market" (Brenner 1977: 76). In a sense, therefore, the tenants were the original subjects of the GOD imperative.

The Marxist account of the emergence of the "'three-tiered' relation of landlord/capitalist tenant/free wage labourer" (Brenner 1977: 75) is thus triply enlightening. First, it explains the dramatic growth of output in early modern England. When forced to choose between improvement and insolvency, it implies, rational tenants opted to improve their land, and thereby ushered in an agricultural revolution that not only transformed the countryside but substituted capital for human labor, facilitated urbanization, and fueled industrial growth in the cities by simultaneously freeing up resources and fostering demand for manufactured goods. Second, it explains the "grow or die" nature of capitalism more generally. Like their progenitors in early modern England, argue the Marxists, today's capitalists are forced to reinvest their profits in an effort to raise productivity and make – or exceed – the average rate of profit. Otherwise, they'll fall into debt, despair, and bankruptcy. And, finally, it offers a powerful account of both England's rise to global hegemony and its eventual supersession by the United States and perhaps China. The basic idea is that capitalism not only motivated but facilitated England's quest for markets and raw materials and thus built a powerful feedback loop: economic growth fueled military expansion; and military expansion fueled economic growth, at least in the short run. And England's successors have followed similar trajectories: the United States in the late nineteenth and twentieth centuries, when the Civil War put paid to slavery in the South and opened the door to industrialization, growth, and global hegemony; and China today, when market reforms appear to have ushered in an era of economic dynamism.

But these accounts are nonetheless incomplete, for they're not institutionally self-contained. We're left to wonder, for example, how the key British stakeholders could trust the fragile institutions of capitalism before they had been institutionalized. Why didn't landlords simply expropriate improvements made by tenants? Why did tenants make improvements in the first place where expropriation seemed possible? What if some landlords used their residual means of coercion to dispossess others who had divested from arms and armies into fields and fertilizers? Why did landlords divest in this way, in the first place, if they couldn't see the outcome in advance? And what about the producers themselves, during the drawn-out transition from "peasant to proletarian" (Rediker 1987: 17)? How did they know they'd actually get paid for their efforts? And which, if any, jobs did they take if they couldn't be sure? Ask yourself what you would have done if you'd been in their positions during those tumultuous times. Would you have bet on promises and guarantees that had yet to be institutionalized or dug in your heels to defend what you already had?

These aren't rhetorical questions. Without some sort of institutional guarantee – whether normative, spiritual, or juridical – you wouldn't be willing to give the barber a fifty-dollar bill for a twenty-dollar haircut (Granovetter 1985: 489), let alone to sink enormous investments into irrigation systems on somebody else's land, spend a week working for somebody else in anticipation of a wage on Friday, or dispense with your retainers when their future role was uncertain. But the sources of those guarantees lie, at best, in the background of the Marxist account. It's fine to note that England had strong customary norms and a precocious legal system at the time. But this just pushes the question of transition back to the origins of those norms and systems (Sayer 1992).

The rule of law and capitalism

The development of capitalist institutions can be seen as a coordination problem. It's entirely possible that everybody, or almost everybody, would be better off under capitalism than feudalism and nonetheless be unable to anticipate that outcome or facilitate it in the absence of credible guarantees from their peers, rivals, and/or compatriots. Why should I surrender my rights under feudalism, meager though they may be, if I don't know what's coming down the road? While Marxists tend to address this problem by portraying capitalism as the unintended consequence of intentional class conflict, they leave the *resolution* of that conflict unaddressed, perhaps due to the teleological nature of their underlying worldview (Stinchcombe 1999: 52). Conflict resolution itself is a coordination problem, after all, and there's no guarantee that it will be solved, let alone solved in a dynamic capitalist fashion.[2]

Weber and his descendants viewed "large-scale coordination problems" (Lange 2005: 48) like this as a major, perhaps the major, obstacle to development. In the absence of formal institutions of coordination and conflict resolution, they argue, the prospects for development will dissolve not only in pre-capitalist societies, as in the Marxist account, but in their capitalist counterparts as well; hence, the widespread invocation of adjectives to account for the decoupling of capitalism and development in the twenty-first century. What are “political capitalism” (Ganev 2009), “patrimonial capitalism” (Mihályi and Szelényi 2017), “booty capitalism” (Auyero and Kilanski 2015: 399), and other varieties of “capitalism-with-adjectives” (Taylor 2014: 3), after all, if not the combination of *individuals who are beholden to capitalist markets* and *markets that afford them no institutional guarantees*? In political capitalism, for example, politicians and their allies manipulate markets to their own benefit and to the detriment of those who lack political connections or institutional protections.

Where would such protections come from? And what would they look like? The standard answer is the state, and involves safeguards against two distinct threats to economic activity: mistakes, like misunderstandings and miscommunication between exchange partners; and malfeasance, including crime and corruption.[3] Both threats can derail or destroy transactions that would otherwise prove satisfying to all parties concerned and conducive to economic growth. Both must therefore be avoided. And the key to their avoidance lies in public officials – like judges, regulators, and service providers of different sorts – who are recruited by exam, subject to degree requirements, well remunerated, and granted lifetime tenure.

Exams and degree requirements are both familiar and easy to understand. They’re a reasonable proxy for expertise, in most societies, and experts are less likely to make mistakes than amateurs. Accountants are less likely to miscalculate your taxes; lawyers are less likely to misinterpret your contracts; and teachers are less likely to miseducate your children – at least if they themselves have been well educated. Hence the need for exams and/or degree requirements.

But why the need for good pay and life tenure? While they've frequently been portrayed as sources of public sector cohesion, or *esprit de corps*, they're no less an impediment to government malfeasance, including bias, favoritism, and outright corruption. After all, the returns to corruption are a known function of the immediate bribes and payoffs available to the official involved. When illicit payments are higher, the corrupt official makes more money. But the costs of corruption are an unknown function of the official's expected lifetime earnings multiplied by the risk of discovery and dismissal (discounted by the relevant interest rate and the opportunity cost of continued employment by the government). If corrupt officials are likely to be dismissed from high-quality, stable jobs, the costs of corruption are higher. And officials who are well paid and confident in their career prospects are, therefore, likely to find corruption less rewarding and appealing in a relative sense than officials who are poorly paid and insecure. Or, to put the matter more bluntly, you're a lot less likely to take (or demand) a bribe that puts a well-paid, secure job at risk than one that puts a poorly paid, insecure job at risk.

Ideally, therefore, public officials are dedicated professionals who are imbued with job security. While the differences between judges and bureaucrats, in particular, are well known (see, e.g., Fiss 1983), the ideal-typical judge no less than the ideal-typical bureaucrat boasts credentials and life tenure. The degree to which this is true in any given society will of course vary (Centeno 1997; Evans and Rauch 1999; Ríos-Figueroa and Staton 2014). And it's at least to some degree in tension with democratic principles since it potentially ties the hands of both voters and their elected representatives (Andersen 2018). But the broad outlines of this system are for the most part well regarded (see, e.g., Olsen 2005) and have, if anything, grown more so in light of recent global challenges like climate change and pandemic preparedness (see, e.g., Drechsler 2020).

The result, moreover, is a powerful account of both national development outcomes and international institutions. Where the rule of law is guaranteed by secure professionals, it implies, conflict recedes, coordination takes hold, public goods – ranging from roads to schools to basic norms of calculability – emerge, and the foundations of capitalist development are laid: individuals invest and hire labor; workers spend their wages and salaries on goods and services; and the result is a feedback loop marked by investment, employment, and growth. Where the state is staffed by amateurs, cronies, and partisans, however, the rule of law is tenuous and development is measured, marked by less investment and by employment of less quality and stability. And the global powers that come out on top in this struggle therefore *boast the rule of law* and *build a world in their image*. “The peripheral country is ‘free’ to say no,” explains Michael Mann, “but the deterrents are powerful – the denial of foreign investment and perhaps of foreign trade” (Mann 2013: esp. 215–16).

Like the Marxist account, however, the Weberian alternative fails to fully address the question of institutional origins. It’s one thing to say that capitalist societies are most dynamic when they’re governed by expert, secure authorities who are able to impose the rule of law; it’s another thing entirely to explain where those authorities come from and how they’re institutionalized in the first place. We can’t just build them by passing a civil service law or mandating judicial independence, note the skeptics, since it’s the effectiveness of those laws and mandates that we’re trying to explain in the first place. And we can’t explain their varying effectiveness by invoking *other* agencies or institutions (e.g., the anti-corruption authority, the courts, foreign investors, or donors) for the same reason: it simply pushes the question of institutional origins and effectiveness one step further down the road.

The non-contractual elements of the rule of law

Existing accounts of state formation tend to be functionalist in nature. They portray the political preconditions of “rational” capitalism – as opposed to capitalism with adjectives – as products of war, revolution, or scarcity and their functional requisites. When existential crisis arrives, in other words, impersonal rule and rational capitalism emerge to solve the problem. But for every society that has responded to a major crisis by institutionalizing political authority along these lines, there are many more that have failed, only to be overrun, colonized, carved up, or condemned to ongoing poverty. There’s no law of nature that says effective governments must arise where they’re in demand; on the contrary, they’re a rare and vulnerable breed.

What, then, underpins state formation? One answer is to follow sociological pioneer Emile Durkheim by noting that every contract, including the public sector employment contract, has a “non-contractual element,” or a normative basis lying outside the contract itself. “‘What governs the governor of a governed order?’ is another way to render this viewpoint” (Hammond 1989: 380). And Durkheimians locate the answer in the so-called collective consciousness (Rueschemeyer 1994: 65–6), or the moral, normative, and cultural underpinnings of the society as a whole.

In fact, Dietrich Rueschemeyer has gone beyond the standard Durkheimian approach by acknowledging not only the non-contractual bases of contract but the "non-bureaucratic normative foundations" of bureaucracy as well (Rueschemeyer 2005: 147). One cannot simply pass a civil service law and expect a bureaucratic revolution, he implies. The law must be institutionalized if it is to be internalized; it must be internalized if it is to be institutionalized; and it seems to gain purchase at the ground level when it is embedded in officials who share similar backgrounds and are imbued with an *esprit de corps*. "Clearly, the development of these complementarities and their extension across different groups are incremental processes that take time" (Rueschemeyer 2005: 147), explains Rueschemeyer, and we have only the vaguest sense of how that happens (McDonnell 2020; Schrank 2020) – if it happens at all.

The Durkheimians hardly ignored the dictates of efficiency and competition (Durkheim 1982: 51). But they devoted more of their attention to shared norms, values, and cultures, and they put the professions and professionalization front and center. What is *esprit de corps*, after all, but a collective commitment to a set of norms that are grounded in "similar origins, shared education, stable career prospects and a common privileged status in society" (Rueschemeyer 2005: 145)? But this simply pushes the question back to where and when *esprit de corps* takes hold and why it takes a particular shape or drives a particular action orientation. Some suggest that it's a pure social construct (de Miranda 2020), and that efficiency considerations have nothing to do with it. But inefficient spirits do not win wars, foster innovation, raise living standards, or take the helm of the world-system. And we're thus left to try to pull all these pieces together.