



THE PEARSON INSTITUTE

FOR THE STUDY AND RESOLUTION OF GLOBAL CONFLICTS

**The Pearson Global Forum
When Economics and Politics Meet
James Robinson**

JAMES ROBINSON: Oh, all right, did you hear anything? You're in the front row. That doesn't count. Huh? Do I start again? All right. No, yes?

Yes.

Oh, gosh, okay. All right. Welcome, I'm James. Let me cut that first bit. It wasn't very good anyway. It didn't really work. Let me start with my mother. I'm going to talk a little bit about the philosophy behind the Pearson Institute and the Global Forum. My mother was a teacher and an educationalist, and she loved to quote George Bernard Shaw and his famous line that, "Those who can do. Those who can't teach." Now, I think Woody Allen subsequently added a kind of addendum to that which is, "Those who can't teach, teach gym." I don't think we have gym at the university of Chicago. Do we have gym? I heard about the-

[inaudible 00:10:02].

Okay, all right. So far gym, okay, it hasn't been at all. I think you have to get a special qualification for that, though. Okay, so I'm not qualified to teach gym. Those who can do, those ... By the way, for those of you who were at dinner last night that was the joke. Those who can do, those who can't teach. I think one of the pillars of the Pearson Institute and one of the main ideas behind the global forum is to get the doers and the teachers in one place. You might think the doers and teachers, I mean, the teachers must teach the doers. One of my friends told me, who I studied with at the London School of Economics many years ago, told me that the ideal degree lasted five minutes because 10 years after you've graduated that's all you could remember. Doers and teachers interact at some point.

I guess in my career as an academic I've been shocked at some level at the extent to which there's very little interaction between the doers and the teachers. You might think, well, putting my economics hat on, well, that's just a division of labor, isn't? Economists love the division of labor. That's supposed to be efficient. Yeah, the division of labor is a good thing when there's trade and exchange and communication, not when there's sort mutual autarchy. We want to get the doers and the teachers together, and we want to learn from each other. Parts of that, which there's going to be today is, of course, the teachers pontificating. That's what we like to do. I've tried to keep that to a minimum, make it a little bit out of control, but let's see what happens.

Part of it is Pearson faculty, associated scholars at the University of Chicago talking about their research, "Here's something interesting, or hopefully interesting, or here's something maybe we learned from our research, but you didn't know about or makes you think about something in a different way." Part of it is going to be us talking about our ideas, but it's a two-way street. It's not just policy people, activists,



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politicians, military people, whoever it is reflecting on the ideas, but it's also telling us about what do they think, what do they think about, what do they worry about, what sort of priorities do they have? It's about trying to start a kind of more sustained dialog around these issues of peace and conflict resolution, and just pooling what we know together in a synergetic way. I think that sounds simple, but it isn't easy.

Speaking as an academic in academia, there's all sorts of professional agendas and conventions about what things are important and what are unimportant and what are interesting and what are puzzling. It's when you interact with people who actually have to solve real problems in real time you see that many of those things that academics agonize over are not really terribly important at all for people who have to make real decisions about the world. I think this a sort of learning process in both directions. I thought I would illustrate that, not by talking, I'm going to talk a little bit about my own research in a second to kind of get the ball rolling, but I would like to give you two examples of something I think I learnt from practitioners since the Pearson Institute started. Maybe it gives you a feel for the type of thing we're also trying to organization here apart from all the academic events.

Two examples: We had Sergio Jaramillo here, the Colombian high commissioner for peace. He's the guy who's the kind of brains behind the five-year negotiation with the Marxist guerrilla group in Cuba that successfully led to their demobilization. He gave a lecture about what did he learn. I learnt something extremely interesting. Actually, I learnt lots of interesting things from that lecture, but here's one thing I learnt, which I didn't know about. When negotiations started, all these deadlines, like, "Oh, we have to finish this by Christmas. If we don't finish the negotiation by Christmas it's all over." He said, "There was this idea that there's a problem. There's a civil war going on. There's these armed guys. The faster we get this solved and write a peace agreement, the better it is." Okay? It's a no-brainer. In fact, a lot of economic theories suggest that the real cost of negotiation is all the waiting, all the ... Okay.

Actually, what he learnt was that something you agree to fast isn't worth the paper it's written on because nobody's committed to it. It was the fact that this thing went on for five years that actually really guaranteed that it was going to work, that everyone was committed to it. It was just that process of negotiating and arguing, and it changed everybody's attitude towards the issues from where they started. I thought that was absolutely fascinating. It's not really what the contemporary sort of theoretical models suggest, but it made a lot of sense when he talked about it.

Then, when the Colombian people in their wisdom voted against the peace agreement in a plebiscite, after all those years, the Marxists were still committed to the agreement. They were like, "Well, we don't care about that. We signed a peace agreement. We're going to get on. We're going to demobilize, and there's going to be peace." That was the fruit of all of those years of negotiation. That was something really interesting I learnt.



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Then, we had Johnathan Powell here giving a lecture, Tony Blair's chief of staff, who was the man primarily responsible for the negotiating the Good Friday agreement in Northern Ireland. Another guy, not an academic, very interesting. Here's one thing I learnt from his lecture. He talked about what do you negotiate over? How do you end a conflict? What are the real sticking points? In social science there's a lot of stuff about what we call greed. There's a distinct between greed and grievance. A lot of people think greed, it's all about greed. It's about the money. It's about how much. It's like material conflict. He said, "That's totally wrong." He said, "Once you start talking about money you can never solve any problem. You can never get a peace agreement by discussing money." Because, first of all, there's never enough money, so once you go there it never ends.

Also, when you start digging people always have non-material reasons for getting into these things. Maybe there's a war economy or a conflict economy, or money comes into it, but that's never at the crux of the problem, that was his claim. I also found that very striking. Johnathan, he's not just been involved in negotiation in Northern Ireland, but he goes around all over the world with his NGO Mediate. In fact, after he was here he got on a plane, and he was going to Mozambique, and then going up-country to talk to renegade leaders of Renamo to try to get them back into the political process.

What's been exciting for me, or one of the things, many things have been exciting, but one of the things that's been exciting is exactly illustrated by those examples. I think I'm learning an awful lot by interacting with people who I never we normally meet or interact with in this context. I hope that other people feel the same way and there'll be a lot more opportunities for that.

I'm going to go now to talk a little bit about my research to get the ball rolling. I'm going to pick up on Johnathan Powell's words, or his thoughts about is conflict really about economics? Is it really about material interest? Is that really the crux of things? Because many social scientists think it is. I'm going to give you an example to keep talking about that, if someone would do the ... I had some slides somewhere. Here we go. All right. In fact, you'll see why this is called Bullets and Ballots. You'll see why it's called Bullets and Ballots in a minute. I was going to talk a little bit about some of my research with two of my collaborators, Carlos Molina at Massachusetts Institute of Technology, and Pablo Salea at the University of Copenhagen in Denmark.

Material basis of conflict, economics and conflict, here's a very specific example of that. This is a map of Cochabamba Department in Bolivia. It portrays changes in nighttime luminosity. One measurement strategy that primarily economists have developed over the last decade for measuring economic activity, the spatial variation in economic activity changes over time, is to look at, use satellite imagery of night light. Night light, of course, electricity, et cetera, is very correlated with economic development. We may not be able to measure economic development very well in a country like Bolivia where the statistics are challenging, but we can look at it at night from satellites.

What this picture shows you is if you look at the dark bits, the gray bits is no light ever during this period between 1995 and 2005. The black bits are bits where luminosity went down. Those bits of Cochabamba Department actually got less-bright over time. There's some orange bits, so some places got a bit brighter, but the big picture is there's sort of falling luminosity over time. That's picturing, that's kind of picking up deteriorating living standards. It's picking up lower wages, worse economic opportunities. This looks like a classic example of conflict-prone situation. Bolivia, it's a very poor country, weak state institutions, should be conflict.

What was causing the economic deterioration? Well, this is what was causing it. These are soldiers from the Bolivian Army with their machetes cutting down coca plants. Coca, that's the raw ingredient for cocaine, that's a very-widely grown commercial crop in rural Bolivia. They were cutting down coca. Why were they cutting down coca? Because the U.S. government was giving the Bolivian government millions of dollars to eradicate coca they sent the army out with their machetes. What does that mean? If you're a peasant in rural Bolivia growing coca, selling coca, somebody comes and cuts your coca plants down, that's bad for your livelihood. That shows up in the luminosity at night. Economic decline, looks like a really conflict-prone situation. What happened?

Well, this is the homicide rate in Bolivia. You're sitting there thinking, " Bolivia, Bolivia, I can't think of any guerrilla groups in Bolivia. Bolivia, there was Che Guevara, but that wasn't very successful. It was a while ago." Here's the homicide rate. The homicide rate, you can see nothing happens to the homicide rate, or it even goes down. This economic deterioration didn't lead to an upsurge in violence or a civil war in Bolivia. What did happen? Did anything happen? Did anyone notice? Oh, yeah, they noticed. Politics happened.

This graph, the gray bars show you the sort of scale of the money that was coming from the United States to do coca eradication. You can see that before 2005 this is up six, seven million dollars a year. That was what was getting the soldiers out into the mountains. The red line is the vote share of a political party called the Movement Towards Socialism. At the start of the period the Movement Toward Socialism, there was a kind of little united left party, which was a sort of precursor, so that's up there too. At the start of the period nobody was really voting for these people.

By the end of the period, by 2005 Evo Morales, the head of the Movement Towards Socialism, gets himself elected president. He's still president of Bolivia, and they take over the country. All right? This negative economic shock precipitated by drug eradication didn't create conflict. It created a political response in society. Politics causes policy. You can see after Morales comes to power in 2005 what happens to U.S. drug enforcement money? Disappears. He's like, "No, thank you. We're not in that business anymore." The MAS took over the state, and cut off the policy that was impoverishing so many of their voters.



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Now, you might think, "It sounds great. Why doesn't that happen everywhere? Shouldn't that happen in the Central African Republic and Congo? What is it about the Bolivians? Is there something strange about the Bolivians?" Could be. In Colombia where I do a lot of research there's also a group called MAS. They're not so active anymore, thankfully, but MAS in Colombia doesn't mean Movement Towards Socialism. It means Death To Kidnappers. That tells you something about the difference between and Colombia.

Yeah, there is something about Bolivia, and digging into what's different about Bolivia tells you something very interesting about what's going on here and about why was there this political reaction. To explain that, let me show you a photograph of a ayllus. It's a traditional Bolivian council, if you could say. This is a meeting of the ayllus. You can see there's men, and there's women, there's ladies with their very characteristic bowler hats. Ayllus is a very deeply historically-rooted kind of political institution in indigenous society in Bolivia, also in Peru. It does all sorts of things at a local level in a very participatory and democratic level.

What I'm going to show you is actually the ayllus is, in some sense, one of the key basis for this political reaction to economic decline in Bolivia. In fact, if you kind of break down the data, we love this data stuff at the University of Chicago, so I had to show you a few numbers, but let me explain what this is. If you break down the change in the vote share of the Movement Toward Socialism over this period into four different kind of areas. You could think of places which have an ayllus and which don't, they have one of these traditional councils, or they don't. You can also think of places where you can grow coca and you can't grow coca. You can't grow coca everywhere. There's some particular ecological conditions which are particularly suitable for growing coca.

We broke the data down into coca, no, yes, ayllus, no, yes. What you see is compared to the average increase in the votes that the Movement Towards Socialism got over this period, the real action is in the bottom right corner. Compared to the average there was 12% points larger increase in the vote for the MAS in this period in places which had coca where this negative economic shock had hit, and also had the ayllus, had these traditional councils. It's the presence of these traditional democratic, legitimate local political institutions that allowed Bolivian society to kind of take the shock. Instead of getting angry or getting a gun, channeling it into a much more positive political response.

You could say, "Oh, gosh. It's a very specific example, isn't it? Bolivia. What about Colombia? What about the Central African Republic?" Okay, we can have that discussion, but I just like to kind of end here by saying I think this is an example which shows that, and this is the findings from many, many years of my own research, is that lying under economics there's always politics. Thank you.