8/9/2021

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comparative international development and innovation

A Culture of Ideology, Innovation, and Policies

*A Critique of Why Nations Fail when analyzed through the context of Lost Enlightenment, Islam, Authoritarianism, and Underdevelopment, and A Culture of Growth*

**Introduction:**

Sustained economic growth exists as a recent phenomenon in the scope of civilized history, occurring over the last three hundred years or so.[[1]](#footnote-1) In fact, in the ten thousand years of history preceding the Industrial Revolution most societies experienced a burst of innovation and wealth creation, a season of stagnation, and subsequent decline.[[2]](#footnote-2) The theories for why before the Age of Enlightenment and the Industrial Revolution economic prosperity could not remain sustainable vary in acceptance and believability but it is hard to ignore the rise of institutionalism as the presiding theory.

Daron Acemoglu and James A. Robinson’s book, *Why Nations Fail*, proposes that while cultural acceptance of education, technology, innovation, and new ideas is prevalent to building towards economic prosperity, it is the economic and political institutions themselves that create sustainable economic growth. Nations rise and fall based on the institutions in place. However, Frederick Starr in *Lost Enlightenment*, Ahmet T. Kuru in *Islam, Authoritarianism, and Underdevelopment*, and Joel Mokyr in *A Culture of Growth* offer an alternative theory where the importance of transnational exchanges of ideas and innovations has more importance in economic development than the institutions supporting the economic system.

This brief analysis will seek to critique the theory of institutionalism based on the arguments provided by Starr, Kuru, and Mokyr when analyzing the often-forgotten enlightenment of the eighth through eleventh century, Central Asia’s Golden Age, and the factors for its stagnation and fall during the late twelfth century.

**Lost Enlightenment, the Golden Age of Central Asia:**

 The patronage of intellectual innovation plays a major part in the economic rise of Central Asia from 650-950 C.E. From Mamun’s House of Wisdom to Central Asia’s three most prominent cities of Nishapur, Bukhara, and Gurganj, the intrigue of collaborating with prominent learned men from differing fields, cultures, ethnicities, and religions served as an enticement to encourage economic growth.

 The rise of Nishapur is attributed as much to its intellectual and cultural renown as it is its political might.[[3]](#footnote-3) And while economically its prosperity did not last for long, the intellectual expansiveness of the scholars gathered within Nishapur assisted the city in retaining its status of greatness.[[4]](#footnote-4) In fact, the prosperity of the city is considered a by-product of the cultural importance of those gathered in Nishapur, rather than the reason the city rose in prominence.[[5]](#footnote-5)

 The city of Bukhara under Samanid rule could potentially be the first Central Asian city with inclusive economic policies, as traders and manufacturers were respected for the economic prosperity they added to the state.[[6]](#footnote-6) Currency was also centralized, with the dirham serving as the most widely accepted form of payment since the Roman denarius.[[7]](#footnote-7) But while their economic and public policies should have served alone as the reason this city is remembered, it is the accumulation of learned scholars and books that makes Bukhara infamous.[[8]](#footnote-8)

Gurganj’s location served as its greatest asset, located at the crossroads of four main Central Asian transport routes.[[9]](#footnote-9) The city was known for its innovations in hydraulic engineering, creating channels and tunnels to provide irrigation and public use waters to the populated desert region.[[10]](#footnote-10) Without its initial irrigation technologies innovations, the future prosperity of Gurganj would not have existed. Under the rulership of Abu Ali Mamun and his sons, Gurganj was built to return Central Asia to its global prominence as the center for science and literature.[[11]](#footnote-11) So coveted was the scholars of Gurganj, Mahmud of Ghazni attempted to force the court of intellectuals, scientists, and scholars to serve at his own behest.[[12]](#footnote-12)

**Cultural and Religious Shift vs. Political and Economic Institutions:**

 Starr would probably agree with Acemoglu and Robinson’s assessment that extractive economic policies stagnate and force the decline of states. While not actively discussed in the book, Starr does offer commentary that supports the correlation between poor political policies and dynastical decline such in the case of Abu Abbas who “did little to bolster the economy or security of his realm and was utterly profligate with money”[[13]](#footnote-13) whose poor policies led to the fall of the Mamuns. Also pointed out by Acemoglu and Robinson is that extractive economic policies can generate wealth momentarily, as in the case of Nishapur, Bukhara, and Gurganj where wealth was created once the city was intellectually renown, but then slavery, increased taxation, among other poor policies, were enacted.

Starr agrees with Acemoglu and Robinson that indeed money generates political power.[[14]](#footnote-14) The wealth of each family and dynasty directly played into their perceived strength and military might. Like extractive political systems, power was concentrated into the hands of a few, with little constraints placed on the power each ruler held.[[15]](#footnote-15) In fact, the splitting of the political power in where the caliphate remained as the spiritual figurehead, and the Buyid and subsequent rulers remained as the political leaders of Central Asia did not afford more opportunities for diffusion of power[[16]](#footnote-16), as within the twelfth century both powers merged again to create the symbiotic and current sustaining system of the ulema-state alliance.[[17]](#footnote-17)

 However, the book leads one to believe Starr believes the cultural shifts in the perception of leadership and their policies holds as much sway as the economic opportunities afforded the citizens of Central Asia during the Golden Age. He asserts that the true wane of Nishapur happened when religious thought in the city formed two irreconcilable groupings of liberal and rationalists.[[18]](#footnote-18) The ideological split produced riots and open conflicts, created disciples of ideological personalities, and encouraged other hegemonic competition cities to welcome intellectual and ideological figures, thus reducing the singular renown of Nishapur in due time.[[19]](#footnote-19)

 The shift from cultural and religious thought inclusiveness to traditionalist and orthodox interpretations of Islam alone, under Seljuk rulership, is according to Starr when the Central Asian Golden Age begins its decline rather than its economic and political state as Acemoglu and Robinson may argue.[[20]](#footnote-20) Sunni leaders welcomed the Seljuks as a more benevolent overlord than Mahmud of Ghazni as they shared the same religious sect, created a profitable privatized economy, and effective governance.[[21]](#footnote-21) However, the heterodoxy of Islam that existed within their newly conquered territory was to Seljuk rulers such as Nizam al-Mulk, a great threat to state stability and therefore necessary to be counterattacked through religious training schools more aimed at indoctrination than explorative interpretation.[[22]](#footnote-22)

Since scientific minds of the time were proponents of utilizing reason, philosophy, and logic[[23]](#footnote-23) to gain insight and wisdom, explore theories, and innovate, idealisms counterintuitive to the morals of orthodox Sunni principles, the intellectuals of the Golden Age stagnated their research instead of risking imprisonment for heresy.[[24]](#footnote-24) Starr acknowledges that the early days of the Seljuks rulership were indeed prosperous[[25]](#footnote-25) however, this did not remain so for long, in agreement with Acemoglu and Robinson’s argument that extractive economic policies, such as the preferred iqta payment for mercenaries the Seljuks utilized, can be initially prosperous but only to a select elite and a widening disparity between the increasingly power and wealthy and the rest of the citizenry would emerge.[[26]](#footnote-26)

 In summation of Starr’s argument, the blockage of free thinking led to an intellectual blockage of innovation in mathematics, literary, and scientific innovations to further the Central Asian Golden Age. We know their human capital to be their greatest asset as Starr attests cities flourished where intellectual activity thrived despite diminishing economic prosperity.[[27]](#footnote-27) He concludes his book by asserting that when “it [Central Asia] lost the ability to face constructively what is alien [openness to the world] and to turn it into pearls, its civilization went into decline.”[[28]](#footnote-28)

**Islam, Authoritarianism, and Underdevelopment, the Failures of the Ottoman:**

Kuru’s book most closely aligns with the arguments presented with Acemoglu and Robinson, that the institutions of the Ottoman, Safavid, and Mughal Empires, most importantly the Seljuk inspired ulema-state alliance, were the cause of economic stagnation in Central Asia through the symbiotic ulema-state alliance.[[29]](#footnote-29) It is Kuru’s argument that leaving merchants out of decision making though commerce served as an integral part of the economic system for each empire, and apathetic attitude towards intellectual advancement within and without empire borders[[30]](#footnote-30), that created the vicious cycle still seen today in modern Turkey and Tunisia despite the secularization of both nations.[[31]](#footnote-31)

Acemoglu and Robinson definition of the vicious circle is as follows:

*Extractive political institutions lead to extractive economic*

*institutions, which enrich a few at the expense of many.*

*Those who benefit from extractive institutions thus have the*

*resources to build their (private) armies and mercenaries,*

*to buy their judges, and to rig their elections in order to*

*remain in power. They also have every interest in defending*

*the system. Therefore, extractive economic institutions*

*create the platform for extractive political institutions to*

*persist. Power is valuable in regimes with extractive*

*political institutions, because power is unchecked and*

*brings economic riches.[[32]](#footnote-32)*

This applies to Kuru’s definition of the ulema-state alliance and its impact of empire territories. State centralization through the consolidation (and more often defeat) of neighboring territories, endorsed by complementary religious leaders,[[33]](#footnote-33) led to an emphasis on military might to retain power, and state sponsorship of the religious leaders as propogandist to retain legitimacy in the eyes of citizens.[[34]](#footnote-34) Because the relationship between state governance and religion sponsorship rely heavily on their symbiosis, any institution or class that may affect one or the other must be marginalized.

 To further explain how extractive the ulema-state alliance was, is, and has become, Kuru focuses on the role the ulema played in creating and enforcing state policy. With state support, Kuru alleges the ulema has weakened the probability to an economic and intellectual class reemerging throughout Central Asia by imposing religious based restrictions to dissuade citizens from pursuing intellectual and entrepreneurial endeavors.[[35]](#footnote-35) He describes the ulema’s role in the Ottoman Empire as sole interpreters of Islam and therefore sole religious scholars, legislators and jurists, judicial, and educators.[[36]](#footnote-36) To legitimize this claim, Kuru focuses on why Europe was successful in establishing maritime trade where the Ottoman empire lagged. Ghazali’s *Revival*, an integral text for Sunni leadership, discouraged pursuing excessive profits in trade and including a false hadith to discourage maritime commerce.[[37]](#footnote-37) With no power for new interpretations of the text, and little power to contest, all forms of trade beside maritime stagnated.

 In Europe, the rising strength of the commerce and intellectual classes successfully challenged the martial and religious state hegemony before the Age of Enlightenment.[[38]](#footnote-38) The ulema-state alliance successfully mitigated having the same competition by consolidating power, state centralization of land, controlling the means and factors for production, retaining an expansive portion of available capital, and controlling profits[[39]](#footnote-39) in regard to merchants, and asserting education focus mainly on religious studies to stifle the intellectuals.[[40]](#footnote-40) While secularization was achieved by many territories after the fall of the Ottoman empire in the 20th century, over half a millennium of ulema-state rulership still echoes today with current legislation still disallowing particular economic and intellectual careers.[[41]](#footnote-41)

**A Culture of Growth, the Anomaly of the Age of Enlightenment:**

Mokyr emerges as the most vocal proponent of institutionalism as the best reasoning to explain sustained economic development. While it is very clear Acemoglu and Robinson hold Mokyr and his earlier works in high regard, as they credit him with shaping their views and encouraging their research,[[42]](#footnote-42) *A Culture of Growth* serves as a cross between a critique and rebuke of Acemoglu and Robinson’s institutionalism theory, as “better markets, more cooperative behaviors, and more efficient allocations simply do not in themselves account for modern economic growth.”[[43]](#footnote-43) The Industrial Revolution, often herald as the emergence of modern economic development and great economic institutions,[[44]](#footnote-44) was not birthed nor stimulated from great political and economic policy according to Mokyr, but from the cultural foundations establishing themselves within modern England during the 16th through 18th centuries.[[45]](#footnote-45)

Mokyr attests that great political and economic institutions are byproducts of the cultures they are created in.[[46]](#footnote-46) A culture that values innovation, entrepreneurship, technological growth, and education would indeed advocate for governance and policies that support these values. In fact, Mokyr finds the relationship between institutions and culture a coevolved one, where culture determines what kind of institutions emerge, but does not guarantee outcomes.[[47]](#footnote-47) What guarantees outcomes is not necessarily the economic policies at play but how a nation prepares and utilizes its human capital, to foster a culture of innovation and entrepreneurship.[[48]](#footnote-48)

Mokyr’s contradiction to Why Nations Fail is that the Industrial Revolution was spurred when the educated elites needed an equally educated labor force to utilize and maintain burgeoning technologies, and therefore invested in and advocated for educating the public to produce and remain producing skilled laborers.[[49]](#footnote-49) While establishing public education is indeed seen as a good institutional policy, it was not the institution itself that perpetrated the economic need for skilled labor. This backs Mokyr’s argument that institutions are often a byproduct of cultural needs rather than the preceding factor for cultural revolution.

Also argued is that transnational ideas are the basis for scientific, intellectual, and technological discoveries which in turn pivot a culture towards advocating for great political and economic institutions.[[50]](#footnote-50) The community and competition provided by the Republic of Letters shared a plethora of intellectual innovations beyond the borders of the inventing nation, allowing others to glean and improve upon initial finding to create new technologies and solidify practical knowledges.[[51]](#footnote-51) From the Republic of Letters, the Scientific Revolution and the age of Enlightenment was birthed, which in turn established the political and economic institutions utilized to sustain the development initiated by the Industrial Revolution.[[52]](#footnote-52)

**Conclusion:**

It would seem the question of what allows for sustained and thriving economic development falls to the chicken and the egg adage; does institutions spur ideas and innovation or the reversal? While Acemoglu and Robinson repetitively make the case of institutionalism within *Why Nations Fail*, and address that technology, innovation, and education are prioritized traits of stabilized economies, Starr, Mokyr, and Kuru are unified in their belief that economic rise can happen despite great political and economic institutions, if transnational ideas and innovations are allowed free reign.[[53]](#footnote-53)[[54]](#footnote-54)

Acemoglu and Robinson’s theory is certainly necessary in the world of economic development theory, and in the eyes of many the more rational approach to economic sustainability than relying on the theories of old: colonialism, geography, and culture. But the arguments presented by Starr, Kuru, and Mokyr do not necessarily negate institutionalism, but instead enhances it to include a new variation of culturalism. These alternative narratives emphasize great political and economic institutions alone cannot succeed without a culture of transnational idea exchanges, ethnic and religious tolerance, and an emphasis on improving upon intellectual findings, technological advances, and explorative research.

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2. *Culture of Growth*, Joel Mokyr, p. 288 [↑](#footnote-ref-2)
3. *Lost Enlightenment*, Frederick Starr, p. 196 [↑](#footnote-ref-3)
4. *Lost Enlightenment*, Frederick Starr, p. 197 [↑](#footnote-ref-4)
5. *Lost Enlightenment*, Frederick Starr, p. 200 [↑](#footnote-ref-5)
6. *Lost Enlightenment*, Frederick Starr, p. 230 [↑](#footnote-ref-6)
7. *Lost Enlightenment*, Frederick Starr, p. 231 [↑](#footnote-ref-7)
8. *Lost Enlightenment*, Frederick Starr, p. 241 [↑](#footnote-ref-8)
9. *Lost Enlightenment*, Frederick Starr, p. 267 [↑](#footnote-ref-9)
10. *Lost Enlightenment*, Frederick Starr, p. 268 [↑](#footnote-ref-10)
11. *Lost Enlightenment*, Frederick Starr, p. 281 [↑](#footnote-ref-11)
12. *Lost Enlightenment*, Frederick Starr, p. 284,285 [↑](#footnote-ref-12)
13. *Lost Enlightenment*, Frederick Starr, p. 284 [↑](#footnote-ref-13)
14. *Lost Enlightenment*, Frederick Starr, p. 269 [↑](#footnote-ref-14)
15. *Why Nations Fail,* Acemoglu, Robinson, p. 81 [↑](#footnote-ref-15)
16. *Lost Enlightenment*, Frederick Starr, p. 242 [↑](#footnote-ref-16)
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20. *Lost Enlightenment*, Frederick Starr, p. 382 [↑](#footnote-ref-20)
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22. *Lost Enlightenment*, Frederick Starr, p. 406,407 [↑](#footnote-ref-22)
23. *Lost Enlightenment*, Frederick Starr, p. 404 [↑](#footnote-ref-23)
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25. *Lost Enlightenment*, Frederick Starr, p. 388,395 [↑](#footnote-ref-25)
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27. *Lost Enlightenment*, Frederick Starr, p. 197 [↑](#footnote-ref-27)
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29. *Islam, Authoritarianism, and Underdevelopment,* Ahmet T. Kuru, p. 168-170 [↑](#footnote-ref-29)
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31. *Islam, Authoritarianism, and Underdevelopment,* Ahmet T. Kuru, p. 229,230 [↑](#footnote-ref-31)
32. *Why Nations Fail*, Acemoglu, Robinson, p. 343 [↑](#footnote-ref-32)
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37. *Islam, Authoritarianism, and Underdevelopment,* Ahmet T. Kuru, p. 183,184 [↑](#footnote-ref-37)
38. *Islam, Authoritarianism, and Underdevelopment,* Ahmet T. Kuru, p. 185,193 [↑](#footnote-ref-38)
39. *Islam, Authoritarianism, and Underdevelopment,* Ahmet T. Kuru, p. 181,182 [↑](#footnote-ref-39)
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41. *Islam, Authoritarianism, and Underdevelopment,* Ahmet T. Kuru, p. 60 [↑](#footnote-ref-41)
42. *Why Nations Fail,* Acemoglu, Robinson, p. 463-464 [↑](#footnote-ref-42)
43. *A Culture of Growth,* Joel Mokyr, p. 5 [↑](#footnote-ref-43)
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