

Book Review

ACEMOGLU, D. and ROBISON, J. A. (2013) *Why Nations Fails: The Origins of Power, Prosperity, and Poverty*. London: Profile Books Ltd www.profilebooks.com. 528pp. Price: Not stated

Reviewer: Anthony-Mary Chukwudozie AMALI

Department of General Studies, Federal Polytechnic, Ugep, Cross River State, NIGERIA.

The book “Why Nations Fails: The Origin of Power, Prosperity, and Poverty” is Acemoglu, Daron and Robinson James A.’s Classic investigation on Why some Nations Fails yet others becomes more prosperous. It is indeed a master writing on the origin of power, prosperity and poverty. The well researched book that took fifteen years to complete was published in Britain by Profile books Ltd 3A Exmouth House Pin Street London EC1R 0JH www.profilebooks.com 2013. The book which traces the roots of Prosperity and Poverty around the world has 15 chapters of 528 pages. It is a direct disproving of the theories held by Jeffrey Sachs the author of “The end of Poverty the economies possibilities of our time” and Jared Diamond, the author of “Guns, Germs and Steel”.

The book answered the questions Why Nations Fail? Why Western Europe, North America and Japan are rich and more prosperous than Sub-Saharan African countries, South American, and South Asian countries? Do nations fail because of their geography? Culture? Ignorance? Or because European people are more intelligent than other people in poor countries? Not at all! Daron Acemoglu and James A. Robinson did not believe in these theories. Acemoglu and Robinson flawed the thesis of Jared Diamond in the book “Guns Germs and Steel” that was premised on geography thesis as the reason for prosperity and poverty of nations. The writers of why nations fail debunked that geography theory completely. And also challenged the theory held by Jeffrey Sachs.

Daron Acemoglu and Robinson James argued, “If Geography, culture, or climate should have played a role in the poverty and prosperity of nations then, there shouldn’t have been any difference between South Korea and North Korea”. Both countries are so close, separated by a just border, yet so different. South Korea is rich, prosperous, with better living standards, education and health care. In contrast, North Korea is opposite of it, suffering in poverty and dictatorship. In another example, the writers argued that the Town of Nogales is divided by a fence: on the north side is the United States, and on the south side, Mexico. The inhabitants on the northern side faces lower crime rates, living

longer and earn three times as much as their southern neighbours. They answered the question of how two places which share an ethnic background, geography location and climate could be so different. So, if not geography, culture and ignorance, then what is it that leads countries to prosperity or poverty? Or why nations fail then? The answer to the above questions becomes the thrust of the book, the core argument of the 15 years of the deep investigation: *“Inclusive economic and political institutions and Extractive economic and political institution”*. *Rich, democratic, economically sound and stable countries have inclusive institutions while poor, unstable, absolute, or dictatorial nations have extractive institutions in place.*

Inclusive institutions involve pluralism, broader political participation and economic opportunities in their society for everybody; it allows innovation, entrepreneurship, property rights, rule of law, competition and accountability of leaders. Examples of these are the Western democracies. On the other hand, extractive institutions maintain the power of the narrow elite at the expense of the society. Absolutist and repressive regimes thrive under this model. The few elites maintain economic monopolies to enrich themselves, ordinary people have no private property rights, political participation and economic opportunities. The controlling elites do not like change because their power would be threatened by “creative destruction” so they resist inclusive institutions to take root and lead to democracy. Examples of such absolute countries are European absolute monarchies of the ancient time and Ottoman monarchies, sub-Sahara countries of Africa, and many Asian countries of today.

European monarchies did not become prosperous until they gave up on extractive economic and political institutions in the 18th and 19th centuries and gradually marched towards inclusive institutions and democracy. Countries and Nations with extractive institutions do not encourage innovation and change because the narrow elites prefer the status quo, it would always resist change. Ottoman Empire banned printing press, Austro-Hungarian Empire and Russian monarchy resist railways and industrial Revolution in the fear of lest their power goes away if innovation and industrial Revolution is to be adopted. This is because innovation and change overhaul the whole society and brings creative destruction. This explains why, they remained behind those who adopted the industrial Revolution and innovation.

The book which took 15 years deep investigation to complete, adopted institutional historical method to study the world, with political economy’s theoretical perspective, it started from the Neolithic revolution of about 10 thousand years ago to today’s 21st century. It beamed search light on history, economy, politics and social behavior and activities of many countries of the world. They consequently, found out that inclusive economic and political institution were the key that led to the prosperity of nations not the geography, culture, ethnicity, climate or ignorance instead institutions make the difference. As North and South Korea example shows, While extractive economic and

political institutions led to the absolutism, poverty and collapse of the countries, as today's Sierra Leone in Western Africa illustrates.

The book indeed, is very compelling. It is a heavy read in terms of large pages (528) but easy and entertaining to read because of its simple English and grammar. It is very coherent with compelling arguments. It covers all part of the world; never leave any part of the world or history untouched generally. The writers discuss the Roman Empire, Maya City-states, Ottoman Empire, African Empires, European Empires and down to the nation-state to prove their argument. The financial Time called it "An intellectually rich book that develops an important thesis with verve". The Observer, called it "A book which, while at the intellectual cutting edge, is not just readable but engrossing". And finally, Jared Diamond the author of *Guns, Germs and Steel*, commended the book which flawed his original argument the book with these words "A great read. Like me, you may succumb to reading it in one go, and then you may come back to it again and again".

Biographical Note

The reviewer, **Anthony-Mary Chukwudozie AMALI**, is a Lecturer in the Department of General Studies, Federal Polytechnic, Ugep, Cross River State NIGERIA; and Doctoral candidate in the Department of Political Science, Nnamdi Azikiwe University, Awka NIGERIA. Email: anthonymary58@gmail.com Tel: 0803 725 8528