

The Narrow Corridor: States, Societies, and the Fate of Liberty

Daron Acemoglu and James A. Robinson

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What is the state's role in economic development? Why did Europe conquer the world? How can liberal democracy rise to the challenge of resurgent populism? These are but a few of the questions Daron Acemoglu and James Robinson tackle in *The Narrow Corridor* (hereafter *TNC*), a successor to *Why Nations Fail* (2012). Theoretically ambitious works raise as many questions as they answer; indeed, new questions can be their most important contribution. *TNC* is no exception.

What gives the book its title is Acemoglu and Robinson's conjecture that human liberty and prosperity, which for the authors are all but inseparable, flourish in the "narrow corridor" where the powers of state and society are evenly matched. By liberty they mean the absence of domination – subjection to a capricious alien will – which springs from "any relation of unequal power" (p. 6). At first glance this understanding of liberty sets a high standard; relations of dominance are commonplace even in the world's rich democracies. In practice the authors apply this standard inconsistently, holding off whenever its rigorous application might raise discomfiting questions about a society they want to portray as being "in the corridor." We also learn that despite the putative link between the two, liberty sometimes follows a society's entrance into the corridor at a respectful distance – here a decade, there a millennium. So too does development: the authors date the genesis of a state-society balance in England to around 600 CE, but "its economic offshoot," the industrial revolution, did not get underway until the

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eighteenth century (p. 194). This implies that in cross section we may not observe a correlation between a society's position vis-à-vis the corridor and either liberty or prosperity.

The authors consider three types of domination: the chronic insecurity of life without a violence-monopolizing state, subordination to a Despotic Leviathan that has emancipated itself from society's control, and captivity in the "cage of norms," i.e., the complex of taboos, ascribed status, and nonmarket exchange that regulates behavior in many societies. Liberty prevails only in the space between the Absent Leviathan, the Despotic Leviathan, and the cage of norms, where the state's power and society's capacity to shackle (or harness) it can grow together. This is a dynamic balance of power, a virtuous circle of state-society interaction. As the state's power waxes, a process pries open the cage, transforming society in ways that help the latter to organize itself and participate in politics. For instance, kin-based social structures, which do not permit people "to freely form and join any sort of association that could help them mobilize and monitor political power," cannot effectively shackle the Leviathan (p. 58). As the state loosens the bonds of clan and caste, then, it creates its own counterpart, an assertive and mobilized society. Confident in its ability to keep Leviathan in check, society in turn demands more from it and enhances its capabilities. This, for Acemoglu and Robinson, is the best-case scenario. Much of *TNC* is devoted to exploring the variegated circumstances that historically have set this virtuous circle in motion and those that have stalled it.

To better evaluate this book's global argument, it is worth discussing the differences between *TNC* and *Why Nations Fail*. *TNC* contains many ideas which readers of the authors' earlier work will find familiar, notably the contention that a Despotic Leviathan cannot sustain the "good" ("inclusive") economic institutions necessary for development, such as secure

property rights. New for the authors is the acknowledgement that state and society are mutually constitutive and that the state's developmental tasks often include *transforming* society in ways that foster economic initiative. These are important lessons, albeit hardly unfamiliar to political scientists and economic historians. The issue is not the "size" of government; the authors have never been advocates of a minimal state. It is instead, as Pranab Bardhan (2016) has recently suggested, whether the conventional prescription of a "strong but limited" state fully captures the political prerequisites of development. On the whole, *TNC* remains faithful to this prescription, but the aforementioned elements are a welcome indication that prevailing winds in the study of development may finally be shifting.

Ultimately, the authors remain wedded to a largely conventional understanding of development, wherein the main task is to create an institutional environment that supports productive investment, specialization, and innovation rather than rent seeking. The idea is to align individual returns to productive economic activity with their social returns – above all, by enforcing property rights. *TNC* stresses that all subjects, not just elites, ought to have property rights; yet the book treats such rights as part of a package of "good" institutions rather than as an immensely variable historical and juridical category. This is apparent, for instance, in the authors' association of regimes of labor coercion – serfdom and slavery – with the cage of norms (for examples pp. 51, 178). But in many of the societies in which they have existed historically, serfdom and slavery were also highly developed systems of property rights, enforced by the state. From this it is evident that "secure" property rights are not always a boon to development. Development also presupposes the existence of some agency that is authorized to *override* and even to *abrogate* certain classes of property rights when these

become fetters on further growth. Representative assemblies and other institutional constraints on state power may help to enforce (their members') property rights, and facilitate the negotiated abolition of obsolete rights, but their existence is neither a necessary nor a sufficient condition for either. Nor are they sufficient to underwrite the baseline political stability that supports a positive perception of risk. And yet without such stability, the claim that property rights are secure is meaningless, however "good" the institutions may be. These conjectures raise questions, such as: what kinds of institutions, for instance, are needed to support the complex exchanges of rights which development sometimes requires? These questions, and not just the quandary of how to "shackle" the Leviathan, are what scholars of development ought to be asking.

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