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Introduction

Mario Ferrero

Department of Public Policy and Public Choice, University of Eastern Piedmont, Alessandria, Italy
(e-mail: ferrerom@sp.unipmn.it)

This issue of *Homo Oeconomicus* brings together scholars from different disciplinary fields – economists specializing in social choice theory, public choice, or comparative economic systems, as well as political scientists and sociologists – for a concerted effort on the subject of revolution.* The papers present the reader with a wide variety of approaches as regards both the level of abstraction and the coverage of historical cases. Moreover, some papers examine the classic, textbook instances of revolutions, while others address the tangled intersections of revolution proper with insurgency, secession, civil war, political violence, or state instability. As well, some papers view revolution in its strict sense as the overthrow or takeover of government through extra-legal, forcible means, while others consider the possibility of entirely legal, yet fundamental changes of the political or economic order, i.e. the possibility of reform as an alternative to, or a vehicle of, revolution.

The one thread that ties together such a diverse collection of studies is also the motivation for this publication: an effort to apply the hypothesis of rational behavior to the actors of these historical processes. Books on the subject of revolution and kindred entries can easily fill whole libraries. However, the rational choice approach that is typical of, though not exclusive to, economics is still undeveloped, and the idea that actors of revolutions may fundamentally be driven by self-interest over and above ideology, social background, historical necessity, or political contingencies remains largely unexamined. Political science of course provides the richest supply of contributions to the study of revolutions, but only

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occasionally and unsystematically is it grounded in a rational choice approach. Historical sociology has a well-established tradition of revolution studies within the Olsonian paradigm of the logic of collective action. However, it typically focuses on individual and group incentives to participate in a revolution once the latter has been set into motion, rather than on why a revolution occurs in the first place or how does it turn out to succeed or fail. Scholars of communist systems, as well as other area students, have accumulated a wealth of insights on the working of specific revolutionary regimes and on the rationale for their establishment and evolution. Though the lessons from these cases potentially lend themselves to valuable generalization, this crucial step is seldom taken, and when it is attempted, there appears to be no generally shared, supportive theoretical framework that can make those lessons bear fruit for a wider research program. Finally, economic theory offers some formal modelling of insurgencies and revolutions, occasionally referred to in the papers in this volume. This sort of theorizing, however, tends to be exceedingly abstract, of a kind of abstraction that has difficulty coming to grips with the real-world, epoch-making events that should be the primary challenge in this field of research.

This unsatisfactory state of the art is what seemed to make a focused, multi-disciplinary effort worthwhile. The ideal goal of a rational theory of revolution might perhaps be described as a model which is sufficiently general, yet sufficiently rich in structure to begin to answer the many relevant questions that revolutions raise for the study of collective behavior. Admittedly, even the most careful reading of the papers collected here is unlikely to bring the reader any closer to such a goal. Hopefully, however, the material in this volume will provide some of the groundwork that may some day make that goal within reach. It is in this hope that I will now try to whet the reader's appetite by briefly surveying the papers.

The first part of the volume includes the "pure", classic instances of revolution and its competitor, reform. Ronald Wintrobe begins the inquiry by going straight to the core question of what a "rational revolution" is, distinguishing between collective and individual rationality. Wintrobe relies on his well-known model of dictatorship, argues that it is the weakness of the state that makes a revolution collectively, and hence individually, rational, and supports his case by an examination of one of the archetypal instances: the French revolution. One need not agree with his conclusion that a sufficient summary criterion for the rationality of a revolution is if it results in more democracy to make the argument well worth discussing. A "welfare economics of revolution" is surely a key ingredient of the kind of theory one would want one day to have.

Michael Keren takes up another archetypal case, the Russian revolution, and situates it against the background of Karl Popper's celebrated argument that wholesale social change is impossible, while only those piecemeal changes may

have a chance of success that almost by definition seem to contradict the very meaning of “revolution”. The author finds that Popper’s claim is vindicated by an examination of the record of the two Russian revolutions: the communist revolution of 1917 and the undoing of the Soviet system in the 1990’s, ushered in by Gorbachev’s reforms. Keren argues that both revolutions largely failed to deliver on their promises for much the same reason: the architects of each revolution showed a complete lack of understanding of the nature of the state and its role in the economy. This paper is a forceful reminder that success of a revolution, as gauged by the stability “in the small”, and hence the longevity, of the system the revolution brought into being, is not coterminous with that revolution’s superiority in a welfare sense.

With Terry Sicular’s paper we come one step down from these normative concerns and address yet another classic case, the Chinese revolution, with a more positive, explanatory outlook. Sicular sets herself squarely within the rational choice perspective and asks what features of the Chinese revolution can be accounted for by the existing economic models of revolution. This task is accomplished by a selective, focused review of the standard explanations of the Chinese revolution’s success and by bringing in some recent research that sheds light on crucial details of the communists’ policies on their way to power. Sicular’s conclusion is that a rational choice explanation is indeed a promising approach to the Chinese case, provided, however, that the rational models incorporate important aspects that have so far been overlooked: these include the structure of tax and rent extraction policies, the behavior of the revolutionary group, and the social and territorial heterogeneity of the target constituency. Perhaps more than any other paper in this collection, this essay is thus framed in such a way as to explicitly bring forth some of the critical tasks that an adequate rational theory of revolution must fulfill.

The next two papers start from the recognition that gradual, peaceful reform has often been a real alternative open to revolutionaries. Mario Ferrero addresses the dilemma between revolution and reform that confronted the socialist movement in the 20th century and ultimately led to full social democracy, to full revolution, or to a precarious “third way”. Ferrero builds a model of a self-interested revolutionary organization that seeks power and functions like a producer cooperative. The organization “sells” two products to its constituency: promises of long-term, radical social change, or revolution, and actual provision of short-term benefits, or reform. The relative size of the two sectors is dictated by the weight of incentive, credibility, and profitability factors in each politico-economic environment. Then it is shown that the behavior of competitors on the market for social reform will drive the organization to emphasize either revolution or reform, according to the initial relative size of the two sectors. Within the limits of a partial-equilibrium model of a firm, and with no account taken of

strategic interactions with the ruling government, Ferrero's approach is able to account reasonably well for the broad pattern of divergent national developments within the socialist movement.

Roger Congleton addresses a truly revolutionary transformation in the political system, the advent of democracy based on universal suffrage in Europe, which was, however, brought about by a sequence of gradual, peaceful reforms over the course of a century. He examines the oft-repeated claim that industrialization and economic growth were conducive to the development of democratic institutions and finds that the connection is only indirect. Working with a median-voter model of political decision making, Congleton first shows that changes in the level and distribution of income per se are not likely to induce major extensions of the franchise because the existing median voter has a vested interest in preserving the suffrage laws that made him the pivotal voter. Shifting then to an interest group model, he argues that industrialization can indeed lead to democratization insofar as it empowers those economic and ideological interest groups that stand to gain from suffrage reform, as exemplified by the liberal and labor movements in Northern Europe during the nineteenth century. Congleton's essay is a refreshing reminder that gradual reform can be a vehicle of revolutionary political change even in the absence of revolutionary threats from society.

The second part of the volume collects essays on cases in which constitutional decision making, political violence, and state instability are inextricably intertwined. The first two papers are devoted to the American secession and civil war, which ostensibly broke out over the issue of Union but was obviously fought over the fundamental issue of the continuation or abolition of slavery, itself a revolutionary change in the political and social order. Both papers rely on key insights from social choice theory, which suggest that both decision processes and beliefs, together with preferences, determine political outcomes.

Drawing on his own extensive research on American political history, Norman Schofield starts with Madison's constitutional design aimed at balancing a risk-averse Congress by a risk-taking President. The latter is conceived to be an "architect" who can contrive a social decision at a time of social quandary by offering a proposal that generates a "belief cascade", and hence a way of aggregating preferences over contentious issues. On the eve of the civil war, Schofield argues, the quandary was posed by the fact that the political equilibrium between land and capital interests, which had dominated the American system since Jefferson's times and relied on the suppression of the issue of slavery, was no longer sustainable. Lincoln convincingly made the case to the Northern electorate that the South posed a threat to free labor. The belief cascade thus generated destroyed the prevailing political equilibrium and gave Lincoln the presidency. This in turn created a belief cascade in the South that

sparked secession and war. One might summarize Schofield's result as a revolutionary transformation carried out fully within the frame of democratic decision making – a result reminiscent, in a different institutional setting, of Congleton's argument on the advent of universal suffrage in Europe.

Kelley Gary focuses more narrowly on the secession decisions in the Southern states and emphasizes the key role of decision processes in the final outcome. It was not “the South” that seceded in the winter of 1860–61, for the South, as a collective political mechanism enabling Southern secession, did not exist, and the secessionists assiduously avoided a general Southern convention on secession. It was instead a sequence of states of the lower South, led by South Carolina, that individually seceded, whereas electorates in the states of the upper South rejected secession. Even in the lower South, Gary shows that electorates in most states were either evenly divided or downright against secession, but were denied the opportunity to vote directly on the status quo of Union – an opportunity that was made available to most of the upper South electorates. Only later did some of these latter states reconsider the matter and join the secession, because they were left as a powerless minority in a Union now overwhelmingly dominated by non-slave states. Gary's conclusion is that although secession was not a popular “Southern” movement, a minority of committed secessionists eventually prevailed because the decision processes were biased in favor of secession.

Robert Young also emphasizes secessions as revolutionary events, inasmuch as they involve an irreversible, traumatic and costly rupture of the political status quo. Drawing on illustrations from Quebec and former Czechoslovakia, he develops a cogent critique of the recent economics literature about secession, which in his view fails adequately to take account of the real economic costs of secessions but concentrates on a timeless comparison of union versus separation equilibria in terms of foreign trade and domestic public finance. It is the crippling uncertainties and costs of the transition that explain the rarity of successful secessions in industrialized societies, despite the predictions of economic models. By contrast, Young argues that the potential for secession is real enough in situations marked by polarization, where two communities are driven towards mutually antagonistic positions by the escalating competition between political leaders within each community. Usually building on national or ethnic cleavages, polarization is a process that can overcome the bias towards the status quo that strict economic calculus tends to produce, and should be made the focus of innovative modelling. In this sense, polarization bears a remarkable resemblance to the belief cascade process that resolves a social quandary in Schofield's analysis.

The last two papers present evidence and insights drawn from novel data sets on political upheavals. The paper by Jorge Restrepo, Michael Spagat and Juan Vargas introduces a detailed, high-frequency data set on the civil war in Colombia during the period 1988–2002. It covers the hottest period of the

conflict which, started as a Marxist revolution and fought on both sides as a Cold-War proxy fight until the end of the 1980's, turned thereafter into a chronic civil war fuelled by the drug traffic and escalating in intensity to this day. The interest of the Colombian case for a study of revolutions is that the insurgency is one of the longest-running on record, afflicts a country with deep class divisions and income inequalities but without ethnic or national cleavages, and is directed at a political system that has been, at least nominally, a long-standing democracy supported by the vast majority of the population. The authors' review of their statistical findings includes a detailed description of the dynamics of the conflict over time, in terms of both activity and intensity, and a quantitative analysis of the pattern of victimization by groups. Their analysis especially highlights the increasing role of paramilitaries, who fight with a "dirty" technology and largely fill the gap in atrocities recently opened up by the cleansing of government operations in terms of human rights performance – an unintended, sobering consequence of the international pressure for human rights.

As if to wrap everything up for the time being, the concluding paper by Jack Goldstone, Ted Gurr, Monty Marshall and Jay Ulfelder introduces a new set of global data on state failures and violent political upheavals around the world from 1955 to 2001, and brings it to bear upon the classic hypothesis that revolutions are mainly due to the instability of certain types of political regimes. The authors' large data base for the first time provides strong statistical support to this hypothesis, which was so far supported only by case studies. It also shows, however, that the likelihood of state failure and revolutionary upheaval is not a linear function of an autocracy-to-democracy index. The intriguing finding is that both full autocracies and full democracies are highly stable, whereas some intermediate regime types are most vulnerable. In particular, what matters most for stability is not free elections alone, but such institutional features of democracy as effective constraints on the chief executive's power and unrestricted, non-factionalized political competition. When either or both of these are absent or weak, the authors find, the state is weakest and statistically most prone to revolutionary breakdown – a conclusion well in tune with both Tocqueville's old wisdom about the vulnerability of reforming regimes and Wintrobe's new argument on the collective rationality of revolution that opened this volume.

Part I
Classical Revolutions and Reforms

Author Proof