Dynamics among Nations: The Evolution of Legitimacy and Development in Modern States

Hilton Root is a professor at George Mason University’s School of Public Policy. His Dynamics among Nations is a critique of liberal internationalism – the theory that through free trade the enlightened middle classes in developing economies will be empowered and motivated to demand liberal political rights. The result of such political pressures will be a global convergence on what have hitherto been regarded as Western values. Root challenges a traditional understanding of international political economy that dissolves relationships into component parts, where those parts can be analysed without reference to the dynamics between them.

The master concept is ‘complexity’, which is a ‘property of systems comprising many interdependent parts, arising when the behaviour of the whole emerges from the interactions of its components’ (p. vii). Influenced by rational choice theory, many economists and political scientists would accept that outcomes are the result of interactions between agents, and so Root has to make a more radical claim: contra rational choice theory, there is no equilibrium in the relationships between agents, with the consequence that the world is unstable. This is a strong assertion, and the book does not convincingly establish its truth. It is possible to accept there is no global optimum but rather local optima (p. 71) while rejecting the claim that there are no equilibrium points.

To explore this problem further we need to consider a number of other concepts discussed in the book: local fitness landscapes (‘flat’ and ‘rugged’); ecological niches; path dependency; coevolution; and emergence. Many of these are drawn from evolutionary biology, where there are indeed equilibrium points. While acknowledging that liberal internationalism does not necessarily require a ‘central enforcer’ – indeed, its proponents argue it emerges spontaneously – Root maintains that in practice it depends on top-down guidance from the West (specifically, the United States). In complex systems there is no central administrator, but rather the ‘interactive dynamics are coevolutionary . . . their interactions result in reciprocal and evolving change’ (p. 2). On the one side we have the liberal internationalist ‘flat landscape’ with a single peak to which all economies and states are advancing at varying speeds, and on the other a landscape which the interdependence of multiple players has made ‘rugged’ (p. 71).

The local landscape creates niches. Economies maximise their fitness relative to their local landscape: they have to scale local peaks, because they cannot see the ‘peak’ represented by liberal internationalism. Root criticises New Institutional Economics (NIE) for its failure to understand that what it describes as ‘second best’ is actually the ‘best fit’ for a particular environment (or landscape). China’s banking system is less sophisticated than many competitors but its no-name bank accounts fill an ecological niche for depositors who seek relative anonymity. In its drive for economic
development China has sought the optimal solution relative to its position in the world economy (pp. 82–3). Again, drawing on biology China’s banking system is a parasite that ‘thrives alongside the best designs at the peak of ecological fitness’ (p. 89). In biology the most successful of all organisms are single-celled bacteria (p. 86), which suggests that fitness and ‘progress’ should not be confused.

China’s optimal strategy is the result of path dependency: where you start out, and which branches you have taken, will structure the choices you make. The West began its ascent to liberalism with the institutions it is now trying to impose on others (p. 91). Just as species cannot reverse their evolutionary development, so economies have to work with what they have. Root is strong on this point and illustrates his argument with discussions of state-formation in France, England and Imperial Germany (ch. 9). He argues that the last of these offers the nearest parallel with contemporary China, but it is far from exact.

Coevolution is also an aspect of complexity. Once again, biology provides models, although these do not support Root’s rejection of equilibrium. Coevolution can occur at different biological levels, from amino acids upwards. The basic idea is that two parties exert selective pressures on one another. The relationship may or may not be mutualistic (non-zero sum). But Root distinguishes biological and social coevolution: the former implies that overall fitness is non-zero sum, whereas in human social behaviour ‘responses to the adaptive moves of others can raise or lower the fitness levels of the coupled environments, and thus the overall system’ (p. 238). Success for most states or businesses is measured relative to that of their immediate competitors. The Pakistani military, Root argues, seeks conflict with India so as to justify its control over state resources. In a very rugged landscape it is rational to ascend the nearest local peak, with the result that choices will be ‘myopic’ and not forward-looking (pp. 99–100).

China’s relationship with many South Asian, African and Latin American countries illustrates coevolution. Chinese weaponry enabled Sri Lankan leader Mahinda Rajapaksa to end successfully the long-running war against the Tamils in the north of the country. In addition, China has in effect provided aid for Sri Lanka but evaded international oversight by channelling funds through the Chinese Export–Import (Exim) Bank (p. 205). Root concludes that China is giving developing countries a new collective identity and framework for regime legitimacy based on copying its own path to worker prosperity (p. 210). In so doing, these countries diverge from the West. As a result the world system has emergent properties, that is, properties not possessed by its individual components.

There is much to gain from this critique of liberal internationalism, but there is a major problem. It is possible to reject liberal internationalism and employ a number of Root’s concepts – ecological niches, path dependency, coevolution and local fitness – without endorsing the more radical claim that there are no equilibrium points and consequently little stability in the world economy. After all, there are many theories to explain divergence that rely on traditional linear methods of analysis and presuppose the possibility of equilibrium.

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