
Beirut, Lebanon - 15/01/2013 - Harvard Professor James A. Robinson argued during an AUB lecture that nations fail because of poorly-created man-made political and economic institutions, rather than culture or geography, even though these are important too.

Robinson spoke at the American University of Beirut on January 14, 2013 during a lecture that launched his promotional tour of the book, “Why Nations Fail? The Origins of Power, Prosperity, and Poverty,” coauthored with Daron Acemoglu, Killian Professor of Economics at MIT.

Organized by the Issam Fares Institute for Public Policy and International Affairs (IFI), in collaboration with Lebanese Center for Policy Studies (LCPS) and Economic Research Forum (ERF) of Egypt, the lecture explored how the gaps between wealth and poverty, health and sickness, and food and famine are not explained by culture, climate, or geography, but rather by man-made political and economic institutions.

Based on fifteen years of original research, Robinson and his co-author, Daron Acemoglu of the Massachusetts Institute of Technology, analyze historical evidence from the Mayan city-states, the Roman Empire, medieval Venice, and the Soviet Union to produce a new and insightful theory of political economy that has great relevance for modern societies.

Robinson and Acemoglu define two types of institutions: economic and political extractive and inclusive institutions. Extractive economic institutions are characterized by lack of law and order, insecure property rights, entry barriers and regulations preventing functioning of markets and creating a non-level playing field, with extractive political institutions concentrating power in the hands of a few, without constraints, checks and balances or the rule of law. On the other hand, inclusive economic institutions secure property rights, law and order, markets and state support (public services and regulation) for markets, open to relatively free entry of new businesses, uphold contracts; access to education and opportunity for the great majority of citizens. Inclusive political institutions allow broad participation, pluralism, and placing constraints and checks on politicians, and the rule of law.

“The Arab Spring was a revolt against these extractive institutions,” Robinson concluded. “The theory of the book suggests that this will only lead to a more inclusive society, and not the iron law of oligarchy, if a broad coalition forms and sustains itself.”
“This book has provoked a huge debate and discussion within both the scholarly and policy circles, said Karim Makdissi, IFI associate director and associate professor of political studies and public administration. “It is also highly legible and recommended for general audiences.”

“The argument of the book is based on over 15 years of research and marshals historical evidence from all over the world,” said Sami Atallah, LCPS executive director. “It instructs academics and policy-makers on how to think and what really matters for economic growth to take place.”

“The most important is to ask the right question imperfectly if needed rather than answer the wrong question perfectly, and Robinson has the courage to ask the right question but even if the answer is not perfect it nevertheless points in the right direction,” said Ahmed Galal, ERF managing director. “With our region in full swing of changes, we stand to greatly benefit from others’ past blunders.”

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Note to Editors
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Founded in 1866, the American University of Beirut bases its educational philosophy, standards, and practices on the American liberal arts model of higher education. A teaching-centered research university, AUB has more than 600 full-time faculty members and a student body of about 8,000 students. AUB currently offers more than 100 programs leading to the bachelor’s, master’s, MD, and PhD degrees. It provides medical education and training to students from throughout the region at its Medical Center that includes a full service 420-bed hospital.

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