THE POLITICAL ECONOMY OF PREDATION

Still in early stages of development, conflict theory presents a growing interest in understanding the economic costs and benefits of conflicts. In this book, Mehrdad Vahabi analyses one type of conflict in particular: manhunting, or predation, in which a dominant power hunts down its prey and the goal of the prey is to escape and thus survive. This contrasts with traditional warfare, in which two (or more) powers enter into a conflict and the goal is to fight to win domination. The economics of escape casts light on costs and benefits of predatory activities, and explores the impact of violence as an impediment to developing countries with respect to assets structure. This book is unprecedented in its research and thought and develops a new theory of predation in economics that makes a significant contribution to the field.

Mehrdad Vahabi is Associate Professor at the University of Paris 8 and Associate Member of Centre d'Economie de la Sorbonne (CES). His interests include political economy, economics of development, economics of conflict, institutional economics and comparative economics. He is the author of *The Political Economy of Destructive Power* (2004) and has published in many peer journals including *Public Choice*, *Cambridge Journal of Economics*, *American Journal of Economics and Sociology*, *Bulletin of Economic Research*, *Comparative Studies of South Asia, Africa, and the Middle East*, *Canadian Journal of Development Studies*, *Louvain Economic Review* and *Revue d'Economie Politique*.

Standard economics has long assumed a society of free, contracting individuals with equal legal rights. Power and authority are understood in contractual terms. In his most powerful statement to date, Mehrdad Vahabi challenges all that. Violence and subjugation are brought back into the picture. We are forced to rethink everything.
Geoffrey M. Hodgson, Hertfordshire Business School, University of Hertfordshire

Mehrdad Vahabi is an exceptional thinker. His truly interdisciplinary book draws on a deep knowledge from diverse disciplines. It promises profound insights on predation, which is one of the most fundamental aspects of human interaction.
Kai A. Konrad, Managing Director at the Max Planck Institute for Tax Law and Public Finance

The dark aspects of life (conflict, violence, predation, manhunt, enslavement, aggression) are studied by various disciplines and research programs, history, psychology, mathematical game theory, criminology, political philosophy and economics among them. Mehrdad Vahabi's book is unique, as he, a genuine interdisciplinary thinker, overviews the so far separated analyses and enriches them with important new ideas.
János Kornai, Professor of Economics Emeritus, Harvard University and Corvinus University of Budapest

A fascinating and provocative analysis of predators and their prey. Mehrdad Vahabi's book will stimulate the minds of all who have been intrigued by the political economy of coercion.
Peter T. Leeson, Duncan Black Professor of Economics and Law, George Mason University

In this compelling book, Mehrdad Vahabi delivers an in-depth analysis of the logic of conflicts and predation. In doing so he is proposing a new and much needed economic perspective on violence as a core component of human societies.
Claude Ménard, University of Paris (Panthéon-Sorbonne)

A work of great originality and ambition. Mehrdad Vahabi's concept of predation is an illuminating lens through which to see different forms of rule. The idea of domestication as a 'prolonged' form of predation, compatible with the survival (indeed, possibly thriving) of the object (plant, mammal, homo-sapiens) of that predation is, I think, very good to think with.
James C. Scott, Sterling Professor of Political Science and Anthropology, Yale University

In this book Mehrdad Vahabi examines one-sided conflicts in many different settings. In many such situations, despite the seeming helplessness of the prey, he shows many possibilities for escape that are surprising (and gives hope for the condition of the less powerful). Vahabi draws upon – and usefully integrates – vast and diverse literatures, ranging from economics and the other social sciences to the history of thought and biology.
Stergios Skaperdas, University of California, Irvine

The Political Economy of Predation

Manhunting and the Economics of Escape

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University Paris 8 and Centre
d'Economie de la Sorbonne

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32 Avenue of the Americas, New York, NY 10013-2473, USA

Cambridge University Press is part of the University of Cambridge.

It furthers the University's mission by disseminating knowledge in the pursuit of education, learning and research at the highest international levels of excellence.

www.cambridge.org
Information on this title: www.cambridge.org/9781107133976

First published 2016

A catalogue record for this publication is available from the British Library.

Library of Congress Cataloging in Publication Data
Names: Vahabi, Mehrdad, 1959–
Title: The political economy of predation : manhunting and the economics of escape / Mehrdad Vahabi.
Description: New York : Cambridge University Press, 2015.
Identifiers: LCCN 2015028164 | ISBN 9781107133976 (hardback)
Subjects: LCSH: Power (Social sciences) | Predation (Biology) | Escapes. | Violence. | Male domination (Social structure) | Interpersonal relations. | International relations.
Classification: LCC HN49.P6 V34 2015 | DDC 303.3–dc23
LC record available at http://lccn.loc.gov/2015028164

ISBN 978-1-107-13397-6 Hardback

To Asghar, Mandana, Regine, Sylvie

With love and gratitude

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Acknowledgements

The idea of this book was born almost at the same time as I was publishing my first book on *The Political Economy of Destructive Power* (Edward Elgar, 2004). Destruction and predation are two topics that have inspired me since the establishment of the Islamic Republic of Iran after the Iranian Revolution in 1979, the eight-year Iran–Iraq War (1980–1988) and the massacre of the Iranian secular and non-secular opposition not only in the streets (1981) but also in prisons (1989). The sequel of the 9/11 disaster, the American invasion of Iraq and the post-Cold War 'order' in the Middle East strengthened the importance of these topics in my eyes. At least, in this part of the world, thinking about development is inseparable from exploring ways to contain violence, destruction and predation.

An idea is like raw grapes that need time to come to fruition and transform into wine. The one-year delegation from the French National Center for Scientific Research (CNRS) at CES (Centre d'Economie de la Sorbonne) in 2013–2014 provided me with an opportunity to review bits and pieces of my thought during the past ten years. The invitations from the Department of Political Science of York University in Toronto for a one-year adjunct professorship position as well as that of University of California-Irvine for a research professorship during 2013–2014 made possible broad reading and rich interdisciplinary discussions. However, writing requires tranquility and that I found, as always, in my secluded sanctuary in Toronto at my sister's (Mandana Vahabi's) place.

Stergios Skaperdas welcomed me at the University of California-Irvine. Lunchtime discussions with Stergios, Samarth Vaidya and Jean-Paul Carvalho were true delights that were usually followed by after-lunch discussions or seminars. At York University, I was greeted by Haideh Moghissi and Saeed Rahnema, who introduced me to many political scholars including Leo Panitch and Sam Gindin, with whom I discussed the political

economy of the Islamic Republic of Iran. Earlier drafts of Sections 6.7 and 6.8 on confiscatory regimes were presented in the seminar organised by the political science department.

In addition to the aforementioned exchange, Hamid Bastin, Keith Hartley, Ilyess El Karouni, Elias Khalil, Janos Kornai, Monique Lupton, Claude Ménard, Nasser Mohajer, Stefano Palombarini and James Scott generously accepted to read one or more chapters and provided me with their precious feedback. A smaller number of colleagues, namely Wladimir Andreff, Sylvie Lupton, Antoine Pietri, Tarik Tazdaït and Mandana Vahabi, reviewed the entire manuscript.

The participants' feedback and criticisms in all these gatherings and colleagues' input certainly have improved the maturation process of the wine without any expectation or hope that the final result would be something comparable to a good Bordeaux or Bourgogne. I must add that the excellent critical assessment and remarks of the three anonymous external reviewers approached by Cambridge University Press largely contributed to the same maturation process. However, only the fabricant of the wine should take the rap, since it is his original choice of grape types and his recipe for combining them that decide the quality of the wine. One last excuse should be luck, or the seasonal alteration of sunshine and climatic volatility. The 'dark side' of reality in the region of the Middle East I lived in during my youth may somehow attenuate my guilt.

With a few slight modifications and additions, Chapter 5 is a reproduction of my article entitled 'Appropriation, Violent Enforcement and Transaction Costs: A Critical Survey' published in *Public Choice*, Vol. 147, No. 1, 2011, pp. 227–253. I would like to thank Springer for kindly granting permission to use the article.

The following institutions and publication houses are gratefully acknowledged for having granted their permissions to reproduce or to quote excerpts from their published materials:

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SIPRI for Table 3.14, Military expenditure by the Gulf states, as a percentage of GDP, 2000–2008. Source: SIPRI Military Expenditure Database. http://www.sipri.org/databases/milex/

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2000–2008. Source: SIPRI Military Expenditure Database. http://www.sipri.org/databases/milex/

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Yale University Press for Table 1.3, Illustrations of the non-state spaces, based on Scott, James C., 2009, *The Art of Not Being Governed, An Anarchist History of Upland Southeast Asia*, New Haven & London, Yale University Press, pp. 167–173, 189.

Oxford University Press for Table 2.3, A comparative table on the frequency of primitive versus civilized warfare, based on Keeley, Lawrence H., 1996, *War Before Civilization*, New York, Oxford, Oxford University Press, pp. 33, 185–187, 188.

W.W. Norton & Company for Table 2.4, Mammalian candidates for domestication, based on Diamond, Jared, 2005, *Guns, Germs, and Steel, The Fates of Human Societies*, New York, London, W.W. Norton & Company, Table 9.2, p. 162.

Bureau of Investigative Journalism for Table 3.1, Drone strikes during the Bush period: 2004–2009.

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Bureau of Investigative Journalism for Table 3.3, CIA strikes for the whole period: 2004–2013.

Bureau of Investigative Journalism for Table 3.4, CIA strikes for the whole period: 2004–January 2014.

Ashgate for Table 6.5, The parallels between the rule of law and democracy, based on Baker, Bruce, 2002, *Taking the Law into Their Own Hands, Lawless Law Enforcers in Africa*, Aldershot, Ashgate, p. 19.

I would like to thank Karen Maloney, senior editor in economics and finance at Cambridge University Press, her assistant Kate Gavino, and Clare Dennison, the project manager for my book, for their editorial skills, efficiency and help in the different stages of this work.

Finally, this book, like my other publications, would not have been possible without the support of the four pillars of my life, Asghar, Mandana, Regine and Sylvie, to whom this book is dedicated. The fifth element is of course the bright and unforgettable memories of all those who dared to resist in the darkest moments of tyrannical rule at the cost of their lives.

Prologue

The cover image of this book entitled *A Ride for Liberty – The Fugitive Slaves* is the work of Eastman Johnson (1824–1906). On 2 March 1862, a year after the outburst of the Civil War in the United States, when accompanying Union general George McClellan from Washington, DC to Manassas, Virginia, Johnson painted three versions of this representation, but only two are known – this one in the Brooklyn Museum and the other in the Virginia Museum of Fine Arts (*Virginia Museum of Fine Arts*, 2013, p. 2). The inscription on the back of the painting records that the painter was himself an 'eyewitness' of the battleground.[1]

Johnson, an American artist from Maine, is known for his 'genre paintings' or scenes of everyday life (Brownlee, 2011, pp. 318–319), some of them dealing with controversial and sensitive issues of his time such as slavery, abolition, emancipation and Reconstruction. Although *A Ride for Liberty* is one of the most renowned works of the artist, 'it was never exhibited during Johnson's lifetime, perhaps due to the charged subject matter' (*Virginia Museum of Fine Arts*, 2013). The image casts light on a historical problem that is still highly relevant in the way a pivotal chapter of US history is grasped: who liberated Afro-American slaves: Lincoln or the slaves themselves? (Guelzo, 2007).

In contrast to most contemporary illustrations of Afro-American slaves, including some of Johnson's earlier paintings, depicting them as shiftless, childlike, bestial and resigned to their servitude, this representation shows an enslaved family (father, mother, young boy and an infant) boldly 'crossing battlefields from the Confederate South to the

[1] 'A *veritible* [veritable] incident in the civil war seen by myself at Centerville on this morning of McClellan's advance towards Manassas March 2, 1862/ Eastman Johnson'. The word 'veritable', meaning 'true', is spelled in the inscription as 'veritible'.

Union North in order to escape the horrors of their bondage' (Mestan and Zygmont, 2013).

A slave family was of course a rarity at the time, since chattel slavery was based on the forced individualisation of the slave, making the slave kinless so that s/he could be transformed into a commodity and sold on the market: the man was separated from his family and the woman from her children. The *Fugitive Slaves* could again become a family through their daring flight. That explains why the father, forceful and capable of protecting his family, was painted at the *centre* of the image whereas 'before this time blacks were normally shown at the edge of a painting, showing that many people thought of them as living on the edge of society' (*Springfield Art Association*, 2004, p. 8) in need of a master's protection. In the picture, the father, the kid and the woman are looking in three different directions. While the father looks forward to the promises of the *future*, the boy is fixed downwards, enchanted by a horse's galloping in the *present*, and the woman keeping the infant in her arms is looking *backwards* to see whether they are being *tracked* by the master's slave-hunters. She is anxious about the manhunt and expresses both the fear and the pride of a prey fleeing from her predator.

In the distance, on the left side of the image, one identifies light reflected from the bayonets and sabers of a battle epitomising the Civil War. Two major historical events are thus in the making concomitantly, intertwining and interacting with each other. One is the Civil War, a classical warfare similar to a duel of honour between two 'symmetric' contending parties (the Confederate South and the Union North) confronting each other directly. The other is an asymmetric conflict between manhunters and the enslaved Afro-Americans who attempt to escape from slave-hunters. *Fight* and *flight* are thus combined in a way that one enhances the other: the North's fight against the Southern slave-owners furnishes the conditions for slaves' resistance to their masters' domination through flight.

A Ride for Liberty illustrates the experience of what were known as 'contraband' slaves during the war.

> In May 1861, barely a month after the first battle, Union Benjamin Butler, a Confederate colonel stationed near Fortress Monroe in Virginia, took in three black men who had escaped from their master. In defiance of the Fugitive Slave Act, which required all escaped slaves to be returned to their masters, Butler announced that all enslaved people who arrived safely across Union lines were to be considered 'contraband of war'. He and other commanders quickly found themselves overwhelmed by the number of escapees in their camps, many of whom would work willingly building forts, digging trenches and providing intelligence on the

position of Confederate forces in exchange for sustenance, protection and the hope of a Union victory. What started as a trickle of fugitives grew to a steady flow as word spread and Union forces advanced. With these acts of personal resistance, black people contributed to their own emancipation and to the eventual uprooting of slavery in the United States (Smithsonian American Art Museum, 21 February 2013.).

Unlike Butler, McClellan was among Union commanders who surrendered fugitives to their owners. Johnson's *Fugitive Slaves* portrayed a resistance narrative in Centerville, a territory under McClellan's control. Hence we do not know whether they were captured and returned back to their owners or not. Uncertainty about their destiny is another dimension that should be added to their daring flight.

The story narrated by Johnson is a very old and at the same time a very recent one. *Exodus*, a chapter in the *Torah*, the Old Testament, recounts the flight of Jews from Egypt. In that chapter, Moses' 'pastoral power' is contrasted to Pharaoh's 'manhunting power'. Interestingly, another of Johnson's paintings, a year after *A Ride for Liberty*, entitled *The Lord Is My Shepherd* (1863),[2] represents a free black man reading *Exodus*. The manhunt of blackskins and Jews are two salient illustrations of manhunting. Hunting of women by men;[3] colonisation and the hunt of Indians, Palestinians, the poor and illegal immigrants/refugees; imperialism; tyranny; piracy; organised crime (the Mafia and a score of gangs) and state and non-state terrorist raids are other examples. The post-Cold War period furnishes a multitude of manhunts, starting right after 9/11 and followed by the new American defence policy in terms of 'strategic manhunts' and drone strikes in Iraq, Afghanistan, Pakistan, Yemen, Somalia and so on.

Manhunting (known in philosophical literature as 'cynegetic warfare') might be contrasted to conventional (classical) warfare in the sense that one party (predator) dominates the other party (prey) from the beginning. *Ex ante* domination defines the relationship between the contending parties in manhunting. By domination, I mean a relationship in which the assaulted party (the prey) must turn towards the aggressor (predator) for protection. The outcome is that while the predator *tracks down* the prey, the prey must

[2] It is not a simple coincidence that 1863 is also the year that Lincoln's Emancipation Proclamation went into full effect.

[3] A good example is the way Jewish women were treated not only by Germans during the war but also by their Russian 'liberators' after the end of the Second World War (Dániel, 2015). More recent examples are the capture of women and selling them as slaves by Boko Haram in Nigeria and DAESH in Iraqi Kurdistan and Syria.

escape to save her/his freedom. Hence the prey's viable strategy is flight rather than fight.

This book retells the story of manhunting from the prey's point of view. While I study the story of predation within a multidisciplinary approach, my focus will be on the *economics of escape*. To an economist, the term 'exodus' brings to mind another familiar word which is now part of basic culture and in the theoretical toolkit of every economist: 'exit', a concept formulated by a pioneering theorist named Albert Hirschman (1970).

To borrow from Hirschman, 'escape' or 'flight' might be used as synonymous with 'exit'. Although I use these two terms interchangeably throughout this book, there is a major difference between them. According to Hirschman, 'exit' derives from buyers' power to sanction inefficient sellers. It is thus an *economic* mechanism for correcting market failures and inefficiencies based on buyers' *choice*. Contrary to 'exit', *flight* is not a choice; it is a *constrained* 'exit' or an 'inescapable escape'.[4] Refugees, not emigrants, are the outcome of flight. For example, nearly 2 million Syrian refugees had fled Syria with the escalation of civil war and the possibility of American bombings to neighbouring countries such as Jordan, Lebanon, Turkey, Iraq and Iraqi Kurdistan by September 2013 (*Time*, 9 September 2013, pp. 32–33). While Charles Tilly's prediction (1985) about conventional war as the source of state-building is confirmed in the case of many European states, manhunting often results in emigration and state destruction. Indeed, the specificity of the twenty-first century is the rapid increase of 'stateless' people spread all over the world despite the extension of state space to the most deserted swathes of the globe. The tragedy of total domination of state societies over stateless (acephalous) societies is the unprecedented rise of *stateless people*.

Moreover, flight reflects another constraint: the impossibility or high costs of confrontation (fight). In fact, prey's choice to 'fight' often amounts to suicide, although flight is not necessarily contradictory to fight. Prey may combine 'flight' and terrorist raids, or prepare a protracted warfare in later stages of confrontation. In this sense, flight might be complementary to fight. Conversely, prey may use 'flight' as a substitute to 'fight'. For instance, it is known that Jews often chose *Exodus* as a substitute to fight. Regardless of the way flight might be combined with fight, the dynamic of manhunting is based on predators' tracking of prey and the prey's anti-predatory strategy of escape.

[4] 'Inescapable escape' is the title of a two-volume edited book in Persian compiling thirty stories of Iranian refugees escaping from the Islamic Republic of Iran (see Javidi et al., 2008).

The economics of escape will bring us to delve into the nature of assets from the viewpoint of their mobility and appropriability. The *mobility* of an asset is particularly important for the prey, since s/he can save it through flight.[5] Conversely, the *appropriability* of an asset, the potential to confiscate an asset, is the major concern of the predator. While assets are classified in different ways in economics (e.g. 'public' versus 'private', 'fixed' versus 'circulating', 'specific' or idiosyncratic versus 'generic'), this book introduces a new way to deal with assets: *fugitive* versus *captive*. The economics of escape scrutinises the difference between these two types of assets by developing a theory of coercive appropriation, the analysis of which is indispensable for understanding the state space in general and tyranny in particular. Historically, the power of capital as the most movable asset was a major factor in restraining tyranny, but this flight power of capital could not lead to democracy without the fighting power of workers, peasants and the urban poor. The analysis of tyranny as a form of manhunting and the conditions for transition to democracy is not only relevant from a historical viewpoint, but is also relevant for the most urgent issue of development hindered by violence in developing countries. The difference between fugitive versus captive assets explains many aspects of underinvestment and economic backwardness in such countries.

While I let the reader find out other aspects of this book, I will continue my persuasive strategy in the next chapter to introduce the whole scope of this book and the main questions that will be addressed throughout this endeavour.

[5] In *A Ride for Liberty*, one can trace a few elements of economics of escape in terms of mobile assets. The first element is the end of chattel slavery and reuniting the entire slave family through flight. But upon closer investigation, one can also notice that the horse is stolen from the master and can be classified as a mobile asset. The reason behind such an assumption is aptly explained by Mestan and Zygmont (2013). During the middle of the nineteenth century, horse traders believed there was a direct relationship between the number of 'white socks' on a horse's lower limbs and its stamina. Consequently, 'a horse having only one … white sock would increase its potential value. When applying this to Johnson's painting, we can observe that the horse … has only one white sock … This indicates the horse that has been stolen in this noble cause was both valuable and of good breeding.' The slave family, determined to escape, had dared to steal the master's horse, which was a mobile asset.