Human Nature and The Inevitability of National Failure

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National failure means a severe decline in inhabitants' living standards and incomes. Failed nations can be at war, severely impoverished, or under oppressive regimes. But there's a common cause behind national failure and a common courier of this cause: extractive institutions and human nature. Our core drives are designed to corrupt, exploit, and game every system we are involved in. At the national level, this renders every country's failure a simple matter of time.

When nations fail, they not only collapse in and of themselves, but they leave a nuclear fallout of opportunity cost. Since an individual's living standards and incomes are highly determinate of their overall level of achievement, collapse in these living standards and incomes means a vast majority of individuals are unable to willingly maximize their own development. Whether it be as fundamental as keeping the streets clean or as profound as advancing human intelligence, it is inconceivable how much progress could have been made in a nation that has failed. The issue of national failure lies in the talent failed nations cannot nurture. The global impact of this issue lies in its uniform inevitability; it is the human condition.

Why does our psychology ensure that national failure is inevitable?

Simply put, our core psychological drives pit us against the exact institutional values that yield national success.

Daron Acemoglu and James A. Robinson, in their 2012 book *Why Nations Fail*, succinctly explained the institutional values that mark the difference between prosperity and collapse. They described four types of institutions:

Inclusive economic institutions uphold the individual right to private property, foster equal opportunity, and encourage investment in technology and people that can create economic growth. Copyright and patent law are examples of inclusive economic institutions.

Inclusive political institutions distribute political power among a wide portion of the population in a way that represents diverse perspectives, but have a degree of political centralization in order to uphold order, law, and secure property rights, while fostering an inclusive market economy. Democracy and universal suffrage are examples of inclusive political institutions.

Extractive economic institutions are structured to extract resources from the many by the few, do not uphold the individual right to private property, and do not provide incentives for individuals to willingly engage in economic activity. Slavery and serfdom are examples of extractive economic institutions.

Extractive political institutions concentrate sweeping political power in the hands of a minority using national resources to cement that power, fail to uphold the individual right to private property, and are designed to support extractive economic institutions. Dictatorship and crony capitalism are examples of extractive political institutions.

Simply put, every country in history that had inclusive economic and political institutions saw long-lasting success, and every country that had extractive economic and political institutions saw failure. Whether it be the Roman Empire or the USA, every power, past and present, only rose to stardom because of economic and political inclusivity, and only failed or will fail when that inclusivity was or will be lost. Acemoglu and Robinson's book was revolutionary in its simplicity and uniform correctness: there have been numerous other theories as to what determines national success — like geography, culture, or incompetent leadership — that Acemoglu and Robinson thoroughly debunked.

Acemoglu and Robinson found that because extractive institutions are designed to strip a majority population group of their wealth, this majority loses the incentive to innovate, as any innovation they create will just be expropriated, exploited, or extracted. This halts the process of *creative destruction*, where new innovations render old ones obsolete, and thus, the growth of extractive nations begins to stagnate. Now, it may not seem that stagnation necessarily means failure, but when we take into account that the global economy surrounding an extractive nation will inevitably continue to progress, and that this extractive nation will have to compete on the global scale, stagnation becomes equivalent to collapse. To compete at the global level, countries need to keep up with the global pace, which they are not able to do if they are stagnating. As a result, countries with extractive institutions will eventually be outcompeted, leading to decline in their output and trade (as their national product becomes outdated and useless) and their leaders will be compelled to further extract from the population to maintain the opulence of own their standard of living — leading to the decline in living standards and incomes of their citizens.

However, this is not to say that growth under extractive institutions is impossible. In fact, economies under extractive institutions may initially grow at the global pace or even faster. There are three methods by which nations under extractive institutions may grow in such a way: brute-force reallocation, significant international economic dependence, or limited engagement with inclusive institutions.

Brute-force reallocation: The Soviet Union grew significantly from 1930-1970, but collapsed afterwards. While Stalin's forceful reallocation of national labor was so voluminous as to provide a boost to production in the short run, the lack of incentive to innovate or adapt inevitably caught up with the Soviet economy.

> *Right up until the early 1980s, many Westerners were still seeing the future in the Soviet Union, and they kept on believing that it was working. In a sense it was, or at least it did for a time. Lenin had died in 1924, and by 1927 Joseph Stalin had consolidated his grip on the country. He purged his opponents and launched a drive to rapidly industrialize the country. He did it via energizing the State Planning Committee, Gosplan, which had been founded in 1921. Gosplan wrote the first Five-Year Plan, which ran between 1928 and 1933. Economic growth Stalin style was simple: develop industry by government command and obtain the necessary resources for this by taxing agriculture at very high rates. The communist state did not have an effective tax system, so instead Stalin "collectivized" agriculture. This process entailed the abolition of private property rights to land and the herding of all people in the countryside into giant collective farms run by the Communist Party. This made it much easier for Stalin to grab agricultural output and use it to feed all the people who were building and manning the new factories. The consequences of this for the rural folk were calamitous. The collective farms completely lacked incentives for people to work hard, so production fell sharply. So much of what was produced was extracted that there was not enough to eat. People began to starve to death. In the end, probably*

six million people died of famine, while hundreds of thousands of others were murdered or banished to Siberia during the forcible collectivization.

Industrial growth in the Soviet Union was [facilitated] because its technology was so backward relative to what was available in Europe and the United States, so large gains could be reaped by reallocating resources to the industrial sector, even if all this was done inefficiently and by force.

Before 1928 most Russians lived in the countryside. The technology used by peasants was primitive, and there were few incentives to be productive. Indeed, the last vestiges of Russian feudalism were eradicated only shortly before the First World War. There was thus huge unrealized economic potential from reallocating this labor from agriculture to industry. Stalinist industrialization was one brutal way of unlocking this potential. By fiat, Stalin moved these very poorly used resources into industry where they could be employed more productively, even if industry itself was very inefficiently organized relative to what could have been achieved. In fact, between 1928 and 1960 national income grew at 6 percent a year, probably the most rapid spurt of economic growth in history up until then. This quick economic growth was not created by technological change, but by reallocating labor and by capital accumulation through the creation of new tools and factories.

Growth was so rapid that it took in generations of Westerners, not just Lincoln Steffens. It took in the Central Intelligence Agency of the United States. It even took in the Soviet Union's own leaders, such as Nikita Khrushchev, who famously boasted in a speech to Western diplomats in 1956 that "we will bury you [the West]." As late as 1977, a leading academic textbook by an English economist argued that Soviet-style economies were superior to capitalist ones in terms of economic growth, providing full employment and price stability and even in producing people with altruistic motivation. Poor old Western capitalism did better only at providing political freedom. Indeed, the most widely used university textbook in economics, written by Nobel Prize-winner Paul Samuelson, repeatedly predicted the coming economic dominance of the Soviet Union. In the 1961 edition, Samuelson predicted that Soviet national income would overtake that of the United States possibly by 1984, but probably by 1997. In the 1980 edition there was little change in the analysis, though the two dates were delayed to 2002 and 2012.

Though the policies of Stalin and subsequent soviet leaders could produce rapid economic growth, they could not do so in a sustained way. By the 1970s, economic growth had all but stopped. The most important lesson is that extractive institutions cannot generate sustained technological change for two reasons: the lack of economic incentives and resistance by the elites. In addition, once all the very inefficiently used resources had been reallocated to industry, there were few economic gains to be had by fiat. Then the Soviet system hit a roadblock, with lack of innovation and poor economic incentives preventing any further progress. The only area in which the Soviets did manage to sustain some innovation was through enormous efforts in military and aerospace technology. As a result, they managed to put the first dog, Leika, and the first man, Yuri Gagarin, in space. They also left the world the AK-47 as one of their legacies.

(Acemoglu 125-128)

Significant international economic dependence: the Caribbean under colonial rule wielded the extremely extractive economic institution of slavery, and politically extractive practice of the vesting of power solely in a planter elite (to maintain such slavery). However, despite this blatant extraction in labor and power, the Caribbean colonies were still able to grow, simply by virtue of their produced sugar being in extremely high demand.

In 1860 the English government conducted a census of the population of its West Indian colony of Barbados. The census revealed that of the total population on the island of around 60,000, almost 39,000 were African slaves who were the property of the remaining one-third of the population. Indeed, they were mostly the property of the largest 175 sugar planters, who also owned most of the land. These large planters had secure and well-enforced property rights over their land and even over their slaves. If one planter wanted to sell slaves to another, he could do so and expect a court to enforce such a sale or any other contract he wrote. Why? Of the forty judges and justices of the peace on the island, twenty-nine of them were large planters. Also, the eight *most senior military officials were all large planters. […] Barbados did not have inclusive economic institutions, since two-thirds of the population were slaves with no access to education or economic opportunities, and no ability or incentive to use their talents or skills. Inclusive economic institutions require secure property rights and economic opportunities not just for the elite but for a broad cross-section of society.*

Most people were slaves, working under gruesome conditions in plantations, living barely above subsistence level. Many died from malnutrition and exhaustion. In Barbados, Cuba, Haiti, and Jamaica in the seventeenth and eighteenth centuries, a small minority, the planter elite, controlled all political power and owned all the assets, including all the slaves. While the majority had no rights, the planter elite's property and assets were well protected. Despite the extractive economic institutions that savagely exploited the majority of the population, these islands were among the richest places in the world, because they could produce sugar and sell it in world markets. The economy of the islands stagnated only when there was a need to shift to new economic activities, which threatened both the incomes and the political power of the planter elite.

Allowing people to make their own decisions via markets is the best way for a society to efficiently use its resources. When the state or a narrow elite controls all these resources instead, neither the right incentives will be created nor will there be an efficient allocation of the skills and talents of people. But in some instances, the productivity of labor and capital may be so much higher in one sector or activity, such as heavy industry in the Soviet Union, that even a top-down process under extractive institutions that allocates resources toward that sector can generate growth.

[Extractive] institutions in Caribbean islands such as Barbados, Cuba, Haiti, and Jamaica could generate relatively high levels of incomes because they allocated resources to the production of sugar, a commodity coveted worldwide. The production of sugar based on gangs of slaves was certainly not "efficient," and there was no technological change or creative destruction in these societies, but this did not prevent them from achieving some amount of growth under extractive institutions.

(Acemoglu 75; 91-92; 126-127)

Limited engagement with inclusive institutions: China is notorious for its mixture of authoritarianism and capitalism, which is a direct interplay between extractive and inclusive institutions. China, in engaging with inclusive institutions, has been able to supplement the harm done by its political extraction. However, despite this engagement with inclusive institutions bringing some growth throughout the region, unless China fully engages with political and economic inclusivity, it is doomed to stagnate.

The Communist Party under the leadership of Mao Zedong finally overthrew the Nationalists, led by Chiang Kai-shek, in 1949. The People's Republic of China was proclaimed on October 1. The political and economic institutions created after 1949 were highly extractive. Politically, they featured the dictatorship of the Chinese Communist Party. […] Until his death in 1976, Mao entirely dominated the Communist Party and the government. Accompanying these authoritarian, extractive political institutions were highly extractive economic institutions. Mao immediately nationalized land and abolished all kinds of property rights in one fell swoop. He had landlords, as well as other segments he deemed to be against the regime, executed. The market economy was essentially abolished.

A senior member of the Communist Party, Deng Xiaoping, a very successful general during the revolution, who led an "anti-rightist" campaign resulting in the execution of many "enemies of the revolution," had a change of heart. At a conference in Guangzhou in the south of China in 1961, Deng argued, "No matter whether the cat is black or white, if it catches mice, it's a good cat." It did not matter whether policies appeared communist or not; China needed policies that would encourage production so that it could feed its people.

Deng found himself labeled number-two capitalist roader, was jailed in 1967, and then was exiled to Jiangxi province in 1969, to work in a rural tractor factory. He was rehabilitated in 1975, and Mao was persuaded by Premier Zhou Enlai to make Deng first vice-premier. Already in 1975, Deng supervised the composition of *three party documents that would have charted a new direction had they been adopted. They called for a revitalization of higher education, a return to material incentives in industry and agriculture, and the removal of "leftists" from the party. At the time, Mao's health was deteriorating and power was increasingly concentrated in the hands of the very leftists whom Deng Xiaoping wanted to remove from power. Mao's wife, Jiang Qing, and three of her close associates, collectively known as the Gang of Four, had been great supporters o the Cultural Revolution and the resulting repression.*

In September [of 1976] there was a critical juncture: Mao died. […] With Mao gone, there was a true power vacuum, which resulted in a struggle between those with different visions and different beliefs about the consequences of change. The Gang of Four intended to continue with the policies of the Cultural Revolution as the only way of consolidating theirs and the Communist Party's power. [Premier of the People's Republic of China] Hua Guofeng wanted to abandon the Cultural revolution, but he could not distance himself too much from it, because he owed his own rise in the party to its effects. Instead, he advocated a return to a more balanced version of Mao's vision.

The turning point for China was Hua Guofeng's power and his willingness to use it against the Gang of Four. Within a month of Mao's death, Hua mounted a coup against the Gang of Four, having them all arrested. He then reinstated Deng in March 1977. […] Deng encouraged public criticism of the Cultural Revolution and began to fill key positions in the Communist Party at all levels with people who, like him, had suffered during this period.

At the Twelfth National Congress in 1982, and then in the National People's Conference in September 1985, [Deng Xiaoping] achieved an almost complete reshuffling of the party leadership and senior cadres. In came much younger, reform-minded people. If one compares 1980 to 1985, then by the latter date, twenty-one of the twenty-six members of the Politburo, eight of the eleven members of the Communist Party secretariat, and ten of the eighteen vice-premiers had been changed.

Now that Deng and the reformers had consummated their political revolution and were in control of the state, they launched a series of further changes in economic institutions. They began in agriculture: By 1983, following the ideas of Hu Qiaomu, the household responsibility system, which would provide economic incentives to farmers, was universally adopted. In 1985 the mandatory state purchasing of grain was abandoned and replaced by a system of more voluntary contracts. Administrative control of agricultural prices was greatly relaxed in 1985. In the urban economy, state enterprises were given more autonomy, and fourteen "open cities" were identified and given the ability to attract foreign investment.

It was the rural economy that took off first. The introduction of incentives led to a dramatic increase in agricultural productivity. By 1984 grain output was one-third higher than in 1978, though fewer people were involved in agriculture. Many had moved into employment in new rural industries, the so-called Township Village Enterprises. These had been allowed to grow outside the system of state industrial planning after 1979, when it was accepted that new firms could enter and compete with state-owned firms. Gradually economic incentives were also introduced into the industrial sector, in particular into the operation of state-run enterprises, though at this stage there was no hint at privatization, which had to wait until the mid-1990s.

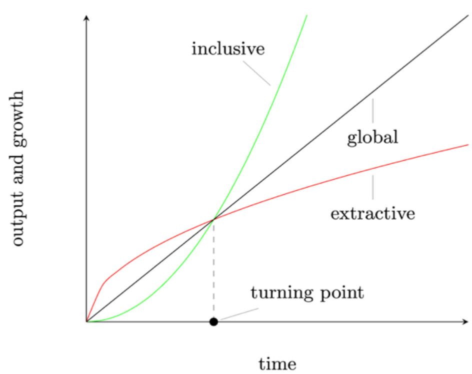
The rebirth of China came with a significant move away from one of the most extractive set of economic institutions and toward more inclusive ones. Market incentives in agriculture and industry, then followed by foreign investment in technology, would set China on a path to rapid economic growth.

China has made great strides toward inclusive economic institutions, strides that underpin its spectacular growth rates over the past thirty years. Most entrepreneurs have some security, not least because they cultivate the support of local cadres and Communist Party elites in Beijing. Most state-owned enterprises seek profits and compete in international markets. This is a radical change form the China of Mao. […] China was first able to grow because under Deng Xiaoping there were radical reforms away from the most extractive economic institutions and toward inclusive economic institutions. Growth has continued as Chinese economic institutions have been on a path toward greater inclusiveness, albeit at a slow pace. China is also greatly benefitting from its large supply of cheap labor and its access to foreign markets, capital, and technologies.

Even if Chinese economic institutions are incomparably more inclusive today than three decades ago, the Chinese experience is an example of growth under extractive political institutions. Despite the recent emphasis in China on innovation and technology, Chinese growth is based on the adoption of existing technologies and rapid investment, not creative destruction. An important aspect of this is that property rights are not entirely secure in China. Every now and then, [...] some entrepreneurs are expropriated. Labor mobility is tightly regulated, and the most basic of property rights, the right to sell one's own labor in the way one wishes, is still highly imperfect. The extent to which economic institutions are still far from being truly inclusive is illustrated by the fact that only a few businessmen and -women would even venture into any activity without the support of the local party cadre or, even more important, of Beijing. The connection between business and the party is highly lucrative for both. Businesses supported by the party receive contracts on favorable terms, can evict ordinary people to expropriate their land, and violate laws and regulations with impunity. Those who stand in the path of this business plan will be trampled and can even be jailed or murdered.

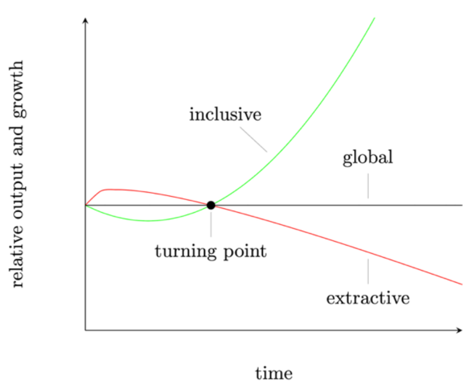
(Acemoglu 420-426; 438-439)

Nations under extractive institutions may grow, and even at a faster rate than those under inclusive institutions, but they end up stagnating because adaptation and innovation stops. To both communicate this stagnation and the fact that stagnation means collapse on the global scale, a graph has been produced below:



$$inclusive: y = x^2$$
$$extractive: y = \sqrt{x}$$
$$global: y = x$$

In the nominal heuristic, we see the stagnating extractive growth described in *Why Nations Fail*. We can also see that up until the turning point labeled above, extractive institutions yield greater output and growth than inclusive institutions, lining up with the case study of the Soviet Union. However, when we account for the global pace, we see more clearly how a moving world means extractive stagnation is collapse.



$$inclusive: y = x^2 - x$$
$$extractive: y = \sqrt{x} - x$$
$$global: y = x - x = 0$$

In the relative heuristic, we see the exact reason extractive institutions can be so enticing from a policy standpoint — this delay in inclusive institutions to grow at the pace of their extractive counterparts means that until the turning point, a nation can actually maximize its relative output and pace of output by extraction. However, in the long-term, it is inclusive political and economic institutions that pave the way for sustained, compounding growth.

> *Extractive institutions are so common in history because they have a powerful logic: they can generate some limited prosperity while at the same time distributing it into the hands of a small elite. [...] The growth generated by extractive institutions is very different in nature from growth created under inclusive institutions, however. Most important, it is not sustainable. By their very nature, extractive institutions do not foster creative destruction and generate at best only a limited amount of technological progress. The growth they engender thus lasts for only so long.*
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> (Acemoglu 149-150)

So why do leaders choose extractive institutions over inclusive ones? What specifically in human nature drives the growth of extractive institutions?

According to Paul R. Lawrence and Nitin Nohria, in their book *Driven: How Human Nature Shapes Our Choices*, human nature can be summarized into four key drives:

The drive to acquire is the most widely known human drive, as it is simply the drive to have more. Imbued into the drive to acquire is a sense of hierarchy and the zero-sum game, where we not only want to accrue for ourselves, but beat and take from our counterparts. Furthermore, the quicker the gratification, the more satisfying it is — though it is key to remember that the drive to acquire can never be truly satisfied, as we can never truly have enough.

The drive to bond is the drive to be in mutually beneficial relationships. Its development dates all the way back to pack survival, where humans needed to learn to stick together to be able to survive the rough conditions of the hunter-gatherer earth. Evidence of this drive can be found in the human smile, which has appeared throughout almost every society in history, as a symbol of unity and kinship. The drive to bond is also the force behind our *dyadic instinct*, which can lead us to easily separate ourselves into opposing tribes: allies and opponents, *us versus them*.

The drive to learn is the drive to comprehend the world. Deriving from the drive to acquire, humans desire to acquire a kind of "balance" with the world and their understanding of it. Lawrence and Nohria introduce the *information gap theory*, which explains the drive to learn as such: when we see a gap in our comprehension of the world, we seek to fill it quickly, to reach an equilibrium in our understanding. This is why art exists, and likewise with religion — but also cults and conspiracy theories.

The drive to defend is the drive to have something to fight for, and to fight for it. Deriving from the drive to bond, humans fortify their sense of community by defending the group to which they belong. Perceived threats be physical or mental, but always relate to an aspect of one's own life; for example, one may defend one's group against criticism because they perceive a threat against their having joined that group.

So how do these drives erode inclusive institutions?

Take liberal capitalist democracy — the pinnacle of inclusivity as we know it. If one follows their drive to acquire, they will utilize the level playing field provided to them to innovate and rise to economic stardom. This initial rise can be done without corrupting institutions — it is simply a matter of providing a better product than the competition. However, it is the fortification of this wealth, as a result of the drive to defend, that poses an issue, especially if such fortification does not come from a continual stream of innovation, rather from a suffocation of the competition. As the wealth of an economic individual or organization grows, so does their power and influence, which allows them to implicitly and explicitly collude with political leadership. This influence can then be used to secure the riches of such an individual or organization by tipping the economic playing field away from their competition. Furthermore, the drive to acquire on behalf of politicians can empower them to participate in such disbalancing, as there is usually much monetary gain at the hands of political corruption. Take, for example, the link between Nancy Pelosi and Visa, as described in *Throw Them All Out* by Peter Schweizer. Pelosi's stifling of regulatory policy towards Visa favored her desire to acquire and shifted the economic playing field in favor of the organization.

> *In early 2008, Speaker of the House Nancy Pelosi and her husband, Paul, placed a very big bet. On March 18, the Pelosis made the first of three purchases of Visa stock, totaling between $1 million and $5 million. But this was no ordinary stock transaction. Somehow the Pelosis managed to get their hands on shares of what would become one of the most popular and lucrative initial public offerings of stock in American history. An IPO, as the name implies, is the first stock offering made by a company prior to its going public. Visa had been privately held by a group of banks up until that year.*
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> *Mere mortals would have to wait until March 19, when the stock would be publicly traded, to get their shares. According to the Pelosis' financial disclosures, two of their purchases were made after the nineteenth, but one was made before. They listed all three purchases together on their disclosure statement, making it impossible to know how many shares they purchased in the initial offering.*
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> *In any event, getting access to this IPO was virtually impossible for the average individual investor. MarketWatch and other news organizations reported that the IPO was "oversubscribed." In the words of IPO analyst Scott Sweet, it was drawing "extreme demand." Virtually all of the Visa IPO shares were going to institutional investors, or large mutual funds or pension funds. Renaissance Capital declared the offering to be the "IPO of the year." Who got these coveted shares? Only "special customers," hand-picked investors, received the IPO shares at the opening price of $44. Two days later, after public trading began, the stock price jumped to $65 a share. In short, the Pelosis made a 50% profit on their investment in a matter of two days. They liked the stock so much, they made another purchase, on March 25. On June 4, 2008, they made a third purchase—and Visa stock closed at $85 a share.*
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> *What makes this all the more remarkable is that this single investment represented at least 10% of the Pelosis' stock portfolio and potentially as much as half of their equity holdings (depending on where in the range of $1 million to $5 million it actually fell). They were staking a good part of their fortune on one company. How unusual was this for the Pelosis? Although rich in real estate, according to their financial disclosure form, they had only once before committed more than $1 million of their assets to a large, publicly traded corporation: Apple Computer.*
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> *It was an enormous risk. Or was it?*
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> *The Speaker of the House and her husband just happened to get those IPO shares barely two weeks after a threatening piece of legislation for Visa was introduced in the House of Representatives. John Conyers,*

chairman of the House Judiciary Committee and an old liberal warhorse, was joined by conservative Republicans Chris Cannon of Utah and Steve King of Iowa, among others, in introducing the Credit Card Fair Fee Act of 2008. The bill had forty-five sponsors in all. It would effectively allow retailers to negotiate lower fees with Visa and the other credit card companies. Retailers argued that these companies—American Express, Visa, MasterCard, and Discover—often set fees together, like a cartel.

By way of background, it's important to understand that Visa does not issue credit cards or make loans; banks do. Visa makes its money by licensing the Visa name and through something called an interchange fee. Every time you use a card at a store, the merchant pays Visa an interchange fee, somewhere between 1% and 3%. Merchants argued that Visa, MasterCard, American Express, and Discover should not be able to keep their fees so high. The Credit Card Fair Fee Act would have amended antitrust laws to require the card companies to enter negotiations with merchants over their interchange fees, and if they could not agree on fees, the Justice Department and the Federal Trade Commission would be empowered to arbitrate. These fees are a huge source of revenue for Visa and the other credit card companies, and a constant thorn in the side of merchants. In 2008, the four companies took in $48 billion in revenue, or about $427 per household, from interchange fees.

Needless to say, Visa and the others were adamantly opposed to the legislation. It was a very "bad bill," in the words of Visa's general counsel.

One would think that this piece of legislation would appeal to Pelosi. She had been outspoken about antitrust problems posed by insurance, oil, and pharmaceutical companies. And she was vocal about the need for controlling the interest rates individual banks charged to use their credit cards. This particular bill had grown out of a House Judiciary Committee Antitrust Task Force Subcommittee study. Big lobbying groups like the National Retail Federation and the National Grocers Association were strongly in favor of it. Indeed, the Maplight Foundation looked at the campaign contributors pushing for this bill on both sides of the aisle and found that Pelosi received twice as many contributions from supporters than from opponents. On top of that, the bill was popular with the public, too. One survey revealed that a whopping 77% of voters were in favor of its passage.

In fact, the bill did pass in the Judiciary Committee on a 19–16 vote, with yeas from 10 Democrats and 9 Republicans. Supporters of the bill were excited. "There is certainly time for the bill to reach a vote before the full House before the end of the year," said one. It was only mid-July.

The National Association of Convenience Stores lobbied for a vote. "It is imperative to tell your Representative to request a vote on the House Floor from Nancy Pelosi," the association wrote to its members. Supporters of the bill waited. And waited. And waited. Speaker Pelosi made sure it never got a hearing on the House Floor.

(Schweizer 40-43)

Crony capitalism has now begun. The economic playing field has begun to de-level, and as more individuals take part in the cronyism it will only get worse. The drive to acquire and the drive to defend has infected both the political and economic systems, and led to the nation's transition from inclusive to extractive. This is known as *The Iron Law of Oligarchy*, where all capitalist and democratic systems will inevitably result in an oligarchy, as power and wealth grow more and more intertwined, and they collaborate to disadvantage the majority population, creating an elite, oligarchal class. In order to maintain these economic interests, it can be expected that economic behemoths will lobby or collude to erode the integrity of political institutions, to maintain their proxy grip on power through maintenance of their loyal connections in the powerful seats. It is important to recognize, however, in the words of George Carlin, that this collusion does not need to be explicit.

You don't need a formal conspiracy when interests converge; these people went to the same universities and fraternities, they're on the same boards of directors, they're at the same country clubs: they have like interests,

> *they don't need to call a meeting, they know what's good for them. And they're getting it. There used to be seven oil companies, there are now three, soon it will be two — the things that matter in this country have been reduced in choice. There are two political parties, there are a handful of insurance companies, there are about six or seven information bases — but if you want a bagel there are 23 flavors. Because you have the illusion of choice. You don't get the real important choices. There's no freedom of choice.*
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> George Carlin on *Politically Incorrect*: May 16, 2001.

This collusion comes in part due to the convergence of interests, but it isn't too out of the question to think that the drive to bond may also create a social culture that promotes extraction — there's always been a successful avenue for movies like *The Wolf of Wall Street* with regard to a genuine promotion of superiority through suffocation and the zero-sum mentality. This kind of culture can lead directly to extractive practices, as elites emotionally bond around their corrupt support for each other.

As it becomes harder and harder to compete, innovation slows, the economy stagnates, and raw extraction begins, where wealth is directly expropriated from citizens into the hands of the elite. Now, living standards and incomes are visibly in decline, and the nation is visibly starting to fail.

Take, for example, the Venetian Empire, which shows the convergence of economic interests and the resulting transition from inclusivity to extractivity.

> *The group of islands that form Venice lie at the far north of the Adriatic Sea. In the Middle Ages, Venice was possibly the richest place in the world, with the most advanced set of inclusive economic institutions underpinned by nascent political inclusiveness. It gained its independence in AD 810, at what turned out to be a fortuitous time. The economy of Europe was recovering from the decline it had suffered as the Roman Empire collapsed, and kings such as Charlemagne were reconstituting strong central political power. This led to stability, greater security, and an expansion of trade, which Venice was in a unique position to take advantage of. It was a nation of seafarers, placed right in the middle of the Mediterranean. From the East came spices, Byzantine-manufactured goods, and slaves. Venice became rich. By 1050, when Venice had already been expanding economically for at least a century, it had a population of 45,000 people. This increased by more than 50 percent, to 70,000, by 1200. By 1330 the population had again increased by another 50 percent, to 110,000; Venice was then as big as Paris, and probably three times the size of London.*
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> *One of the key bases for the economic expansion of Venice was a series of contractual innovations making economic institutions much more inclusive. The most famous was the commenda, a rudimentary type of joint stock company, which formed only for the duration of a single trading mission. A commenda involved two partners, a "sedentary" one who stayed in Venice and one who traveled. The sedentary partner put capital into the venture, while the traveling partner accompanied the cargo. Typically, the sedentary partner put in the lion's share of the capital. Young entrepreneurs who did not have wealth themselves could then get into the trading business by traveling with the merchandise. It was a key channel of upward social mobility. Any losses in the voyage were shared according to the amount of capital the partners had put in. If the voyage made money, profits were based on two types of commenda contracts. If the commenda was unilateral, then the sedentary merchant provided 100 percent of the capital and received 75 percent of the profits. If it was bilateral, the sedentary merchant provided 67 percent of the capital and received 50 percent of the profits. Studying official documents, one sees how powerful a force the commenda was in fostering upward social mobility: these documents are full of new names, people who had previously not been among the Venetian elite. In government documents of AD 960, 971, and 982, the number of new names comprise 69 percent, 81 percent, and 65 percent, respectively, of those recorded.*
>
> *This economic inclusiveness and the rise of new families through trade forced the political system to become even more open. The doge, who governed Venice, was selected for life by the General Assembly. Though a*

general gathering of all citizens, in practice the General Assembly was dominated by a core group of powerful families. Though the doge was very powerful, his power was gradually reduced over time by changes in political institutions. After 1032 the doge was elected along with a newly created Ducal Council, whose job was also to ensure that the doge did not acquire absolute power. The first doge hemmed in by this council, Domenico Flabianico, was a wealthy silk merchant from a family that had not previously held high office. This institutional change was followed by a huge expansion of Venetian mercantile and naval power. In 1082 Venice was granted extensive trade privileges in Constantinople, and a Venetian Quarter was created in that city. It soon housed ten thousand Venetians. Here we see inclusive economic and political institutions beginning to work in tandem.

The economic expansion of Venice, which created more pressure for political change, exploded after the changes in political and economic institutions that followed the murder of the doge in 1171. The first important innovation was the creation of a Great Council, which was to be the ultimate source of political power in Venice from this point on. The council was made up of officeholders of the Venetian state, such as judges, and was dominated by aristocrats. In addition to these officeholders, each year a hundred new members were nominated to the council by a nominating committee whose four members were chosen by lot from the existing council. The council also subsequently chose the members for two subcouncils, the Senate and the Council of Forty, which had various legislative and executive tasks. The Great Council also chose the Ducal Council, which was expanded from two to six members. The second innovation was the creation of yet another council, chosen by the Great Council by lot, to nominate the doge. Though the choice had to be ratified by the General Assembly, since they nominated only one person, this effectively gave the choice of doge to the council. The third innovation was that a new doge had to swear an oath of office that circumscribed ducal power. Over time these constraints were continually expanded so that subsequent doges had to obey magistrates, then have all their decisions approved by the Ducal Council. The Ducal Council also took on the role of ensuring that the doge obeyed all decisions of the Great Council.

These political reforms led to a further series of institutional innovations: in law, the creation of independent magistrates, courts, a court of appeals, and new private contract and bankruptcy laws. These new Venetian economic institutions allowed the creation of new legal business forms and new types of contracts. There was rapid financial innovation, and we see the beginnings of modern banking around this time in Venice. The dynamic moving Venice toward fully inclusive institutions looked unstoppable.

But there was a tension in all this. Economic growth supported by the inclusive Venetian institutions was accompanied by creative destruction. Each new wave of enterprising young men who became rich via the commenda or other similar economic institutions tended to reduce the profits and economic success of established elites. And they did not just reduce their profits; they also challenged their political power. Thus there was always a temptation, if they could get away with it, for the existing elites sitting in the Great Council to close down the system to these new people.

At the Great Council's inception, membership was determined each year. As we saw, at the end of the year, four electors were randomly chosen to nominate a hundred members for the next year, who were automatically selected. On October 3, 1286, a proposal was made to the Great Council that the rules be amended so that nominations had to be confirmed by a majority in the Council of Forty, which was tightly controlled by elite families. This would have given this elite veto power over new nominations to the council, something they previously had not had. The proposal was defeated. On October 5, 1286, another proposal was put forth; this time it passed. From then on there was to be automatic confirmation of a person if his fathers and grandfathers had served on the council. Otherwise, confirmation was required by the Ducal Council. On October 17 another change in the rules was passed stipulating that an appointment to the Great Council must be approved by the Council of Forty, the doge, and the Ducal Council.

The debates and constitutional amendments of 1286 presaged La Serrata ("The Closure") of Venice. In February 1297, it was decided that if you had been a member of the Great Council in the previous four years, you received automatic nomination and approval. New nominations now had to be approved by the Council of Forty, but with only twelve votes. After September 11, 1298, current members and their families no longer needed confirmation. The Great Council was now effectively sealed to outsiders, and the initial incumbents

> *had become a hereditary aristocracy. The seal on this came in 1315, with the Libro d'Oro, or "Gold Book," which was an official registry of the Venetian nobility.*
>
> *Those outside this nascent nobility did not let their powers erode without a struggle. Political tensions mounted steadily in Venice between 1297 and 1315. The Great Council partially responded by making itself bigger. In an attempt to co-opt its most vocal opponents, it grew from 450 to 1,500. This expansion was complemented by repression. A police force was introduced for the first time in 1310, and there was a steady growth in domestic coercion, undoubtedly as a way of solidifying the new political order.*
>
> *Having implemented a political Serrata, the Great Council then moved to adopt an economic Serrata. The switch toward extractive political institutions was now being followed by a move toward extractive economic institutions. Most important, they banned the use of commenda contracts, one of the great institutional innovations that had made Venice rich. This shouldn't be a surprise: the commenda benefited new merchants, and now the established elite was trying to exclude them. This was just one step toward more extractive economic institutions. Another step came when, starting in 1314, the Venetian state began to take over and nationalize trade. It organized state galleys to engage in trade and, from 1324 on, began to charge individuals high levels of taxes if they wanted to engage in trade. Long-distance trade became the preserve of the nobility. This was the beginning of the end of Venetian prosperity. With the main lines of business monopolized by the increasingly narrow elite, the decline was under way. Venice appeared to have been on the brink of becoming the world's first inclusive society, but it fell to a coup. Political and economic institutions became more extractive, and Venice began to experience economic decline. By 1500 the population had shrunk to one hundred thousand. Between 1650 and 1800, when the population of Europe rapidly expanded, that of Venice contracted.*
>
> *Today the only economy Venice has, apart from a bit of fishing, is tourism. Instead of pioneering trade routes and economic institutions, Venetians make pizza and ice cream and blow colored glass for hordes of foreigners. The tourists come to see the pre-Serrata wonders of Venice, such as the Doge's Palace and the lions of St. Mark's Cathedral, which were looted from Byzantium when Venice ruled the Mediterranean. Venice went from economic powerhouse to museum.*
>
> (Acemoglu 152-156)

But why is failure like this inevitable?

Two reasons.

First, it is inevitable that we follow our drives. As Robert Greene in *The Laws of Human Nature* puts it, rationality over emotionality — the latter of which meaning surrender to our drives — is incredibly hard to follow.

> *You like to imagine yourself in control of your fate, consciously planning the course of your life as best as you can. But you are largely unaware of how deeply your emotions dominate you. They make you veer towards ideas that soothe your ego. They make you look for evidence that confirms what you already want to believe. They make you see what you want to see, depending on your mood, and this disconnect from reality is the source of the bad decisions and negative patterns that haunt your life. Rationality is the ability to counteract these emotional effects, to think instead of react, to open your mind to what is really happening, as opposed to what you are feeling. It does not come naturally; it is a power we must cultivate, but in doing so we realize our greatest potential.*
>
> (Greene *The Laws* 13)

Second, we can more easily satisfy our drives by extracting than by following the rules of inclusivity, making it in our interests to behave extractively. To thrive in a fully inclusive economy, one needs to continue innovating to avoid creative destruction by their counterparts. But if this individual instead decides to stifle competition, they can maintain their dominance with much less effort — buying out a future competitor, for example, is just a payment, in contrast to years of potentially arduous and risky innovation. America's Silicon Valley is an excellent example of choosing extractive over inclusive practices in the name of personal wealth accrual.

> *The beginnings of the computer revolution can be found on the ninth floor of MIT's Tech Square building. In 1959-1960, a group of often-unkempt young men coded there in assembly language into the early hours of the morning. They were driven by a vision, sometimes referred to as the "hacker ethic," which foreshadowed what came to energize Silicon Valley entrepreneurs.*
>
> *Key to this ethic was decentralization and freedom. Hackers felt great disdain for the major computer company of that era, IBM (International Business Machines). In their view, IBM wanted to control and bureaucratize information, whereas they believed that access to computers should be completely free and unlimited. Anticipating a mantra that would later become much misused by tech entrepreneurs, hackers argued that "all information should be free." Hackers mistrusted authority, so much so that there was an almost anarchist element to their thinking.*
>
> *By the 1980s, software engineers could either have their ideals or gain tremendous riches by signing up with companies that were becoming larger and more powerful. Many chose the latter.*
>
> *Meanwhile, antiauthoritarianism morphed into a fascination with "disruption," meaning that disrupting existing practices and livelihoods was welcome or even encouraged. The precise words differed, but the underlying thinking was reminiscent of British entrepreneurs in the early 1800s, who felt fully justified in ignoring any collateral damage they created along their path, especially on workers. Later, Mark Zuckerberg would make "Move fast and break things" a mantra for Facebook.*
>
> *An elitist approach came to dominate almost the entire industry. Software and programming were things in which very talented people excelled, and the less able were of limited use. Journalist Gregory Ferenstein interviewed dozens of tech start-up founders and leaders who expressed these opinions. One founder stated that "very few are contributing enormous amounts to the greater good, be it by starting important companies or leading important causes." It was also generally accepted that those few seen as contributing to the public good by launching new businesses should be handsomely rewarded. As the Silicon Valley entrepreneur Paul Graham, one of* Businessweek's *"twenty-five most influential people on the web," put it, "I've become an expert on how to increase economic inequality, and I've spent the past decade working hard to do it… You can't prevent great variations in wealth without preventing people from getting rich, and you can't do that without preventing them from starting startups."*
>
> (Johnson 253-254; 289)

Further demonstrating the power of the incentive to create extractive institutions is the Kingdom of Kongo:

> *As an independent polity, Congo experienced almost unbroken economic decline and mounting poverty under the rule of Joseph Mobutu between 1965 and 1997. This decline continued after Mobutu was overthrown by Laurent Kabila. Mobutu created a highly extractive set of economic institutions. The citizens were impoverished, but Mobutu and the elite surrounding him, known as Les Grosses Legumes (the Big Vegetables), became fabulously wealthy. Mobutu built himself a palace at his birthplace, Gbadolite, in the north of the country, with an airport large enough to land a supersonic Concord jet, a plane he frequently rented from Air France for travel to Europe. In Europe he bought castles and owned large tracts of the Belgian capital of Brussels.*
>
> *Wouldn't it have been better for Mobutu to set up economic institutions that increased the wealth of the Congolese rather than deepening their poverty? If Mobutu had managed to increase the prosperity of his nation, would he not have been able to appropriate even more money, buy a Concord instead of renting one, have more castles and mansions, possibly a bigger and more powerful army? Unfortunately for the citizens of*

many countries in the world, the answer is no. Economic institutions that create incentives for economic progress may simultaneously redistribute income and power in such a way that a predatory dictator and others with political power may become worse off.

The fundamental problem is that there will necessarily be disputes and conflict over economic institutions. Different institutions have different consequences for the prosperity of a nation, how that prosperity is distributed, and who has power. The economic growth which can be induced by institutions creates both winners and losers. This was clear during the Industrial Revolution in England, which laid the foundations of the prosperity we see in the rich countries of the world today. It centered on a series of pathbreaking technological changes in steam power, transportation, and textile production. Even though mechanization led to enormous increases in total incomes and ultimately became the foundation of modern industrial society, it was bitterly opposed by many. Not because of ignorance or shortsightedness; quite the opposite. Rather, such opposition to economic growth has its own, unfortunately coherent, logic.

(Acemoglu 79-80)

This is why the enforcement of *anti-trust regulation* is incredibly important, because it is the exact set of rules that shuts down the kind of monopolistic/autocratic suffocation for the benefit of an ownership elite that turns a nation extractive. But, again, if economic figures have political influence, it is incredibly difficult for such enforcement to take place — the interests converge.

In the current case of the USA, we can see the stifling of competition and the thriving of monopoly, especially as the digital age has widened class inequality and hindered mobility, as companies have utilized technology to suffocate and automate away human labor itself (Johnson 256-259). However, it seems we have not reached the point where wealth is being directly expropriated from citizens. Private property rights still seem to be intact. To be fair, though, there is room to debate whether or not the US income tax is extractive, especially because of its unprecedented height, and its recent and increasing usage to direct revenue into the hands of political interests — for example, just one stimulus program of the Department of Energy under Barack Obama's presidential administration funneled billions of dollars to Obama-affiliated companies.

It would take an entire book to analyze every single grant and government-backed loan doled out since Barack Obama became President. But an examination of grants and guaranteed loans offered by just one stimulus program run by the Department of Energy, for alternative energy projects, is stunning. The so-called 1705 Loan Guarantee Program and the 1603 Grant Program channeled billions of dollars to all sorts of energy companies. The grants were earmarked for alternative fuel and green-power projects, so it would not be a surprise to learn that those industries were led by liberals. Furthermore, these were highly competitive grant and loan programs—not usually a hallmark of cronyism. Often less than 10% of applicants were deemed worthy to receive government support.

Nevertheless, a large proportion of the winners were companies with Obama-campaign connections. Indeed, at least ten members of Obama's finance committee and more than a dozen of his campaign bundlers were big winners in getting your money. At the same time, several politicians who supported Obama managed to strike gold by launching alternative energy companies and obtaining grants. How much did they get? According to the Department of Energy's own numbers ... a lot. In the 1705 government-backed loan program, for example, $16.4 billion of the $20.5 billion in loans granted went to companies either run by or primarily owned by Obama financial backers—individuals who were bundlers, members of Obama's National Finance Committee, or large donors to the Democratic Party. The grant and guaranteed loan recipients were early backers of Obama, before he ran for President, people who continued to give to his campaigns and exclusively to the Democratic Party in the years leading up to 2008. Their political largesse is probably the best investment they ever made in alternative energy. It brought them returns many times over.

Those who directed these loan programs were themselves fundraisers for the Obama campaign. One might think that the Department of Energy's Loan Program Office, for example, which has doled out billions in taxpayer-guaranteed loans, is directed by a dedicated scientist or engineer. Or perhaps a civil servant with considerable financial knowledge. Instead, the department's loan and grant programs are run by partisans who were responsible for raising money during the campaign from the same people who later came to seek government loans and grants. Steve Spinner, who served on the Obama campaign's National Finance Committee, and was a bundler himself, was the campaign's "liaison to Silicon Valley." His responsibilities included fundraising, recruiting more bundlers, and managing Obama's relationship with a cadre of very wealthy donors. After the 2008 campaign, Spinner joined the Department of Energy as the "chief strategic operations officer" for the loan programs. A lot of the money he helped hand out went to that same cadre of wealthy Silicon Valley campaign donors. He also sat on the White House Business Council, which is made up of Obama-supporting corporate executives.

(Schweizer 78-80)

This seems to be the central issue with liberal capitalist democracy, that the opposition to scholarly claims of its evolutionary finality (i.e. opposition to *The End of History*) highlight: capitalist democracy, from the very nature of its management by humanity, will inevitably turn extractive, as the drive to acquire leads individuals to game the system and place themselves above others. It is true that the overwhelming size of democracy can serve to mitigate the negative aspects of the drive to acquire, but this only slows down the collapse, not stop it. It seems that in order to maintain the integrity and inclusivity of a nation's economic and political playing fields, the two domains must be regulated or controlled by something beyond humanity. That, or somehow the primary problem causing extractivity must be fundamentally addressed; the fact it is easier to stifle competition than to innovate (and more generally to behave extractively than inclusively), gives individuals the incentive to extract — but if this incentive were flipped, inclusivity could thrive as a rewarded component of the system itself. How we are to evolve to solve this issue is yet to be discovered. Thankfully, the forums of democracy we currently have, however fleeting they may be, means we are likely to find the solution much more quickly than it took to find liberal capitalist democracy in the first place.

Acemoglu and Robinson do propose a solution for the transition to extractive institutions, but it does not seem to be near satisfactory: the media.

What can be done to kick-start or perhaps just facilitate the process of empowerment and thus the development of inclusive political institutions? The honest answer of course is that there is no recipe for building such institutions. Naturally there are some obvious factors that would make the process of empowerment more likely to get off the ground. These would include the presence of some degree of centralized order so that social movements challenging existing regimes do not immediately descend into lawlessness; some preexisting political institutions that introduce a modicum of pluralism, such as the traditional political institutions in Botswana, so that broad coalitions can form and endure; and the presence of civil society institutions that can coordinate the demands of the population so that opposition movements can neither be easily crushed by the current elites nor inevitably turn into a vehicle for another group to take control of existing extractive institutions. But many of these factors are historically predetermined and change only slowly. The Brazilian case illustrates how civil society institutions and associated party organizations can be built from the ground up, but this process is slow, and how successful it can be under different circumstances is not well understood.

One other actor, or set of actors, can play a transformative role in the process of empowerment: the media. Empowerment of society at large is difficult to coordinate and maintain without widespread information about whether there are economic and political abuses by those in power. We saw in chapter 11 the role of the media

> *in informing the public and coordinating their demands against forces undermining inclusive institutions in the United States. The media can also play a key role in channeling the empowerment of a broad segment of society into more durable political reforms, [...] particularly in the context of British democratization.*
>
> *Pamphlets and books informing and galvanizing people played an important role during the Glorious Revolution in England, the French Revolution, and the march toward democracy in nineteenth-century Britain. Similarly, media, particularly new forms based on advances in information and communication technology, such as Web blogs, anonymous chats, Facebook, and Twitter, played a central role in Iranian opposition against Ahmadinejad's fraudulent election in 2009 and subsequent repression, and they seem to be playing a similarly central role in the Arab Spring protests that are ongoing as this manuscript is being completed.*
>
> *Authoritarian regimes are often aware of the importance of a free media, and do their best to fight it. An extreme illustration of this comes from Alberto Fujimori's rule in Peru. Though originally democratically elected, Fujimori soon set up a dictatorial regime in Peru, mounting a coup while still in office in 1992. Thereafter, though elections continued, Fujimori built a corrupt regime and ruled through repression and bribery. In this he relied heavily on his right-hand man, Valdimiro Montesinos, who headed the powerful national intelligence service of Peru. Montesinos was an organized man, so he kept good records of how much the administration paid different individuals to buy their loyalty, even videotaping many actual acts of bribery. There was a logic to this. Beyond just recordkeeping, this evidence made sure that the accomplices were now on record and would be considered as guilty as Fujimori and Montesinos. After the fall of the regime, these records fell into the hands of journalists and authorities. The amounts are revealing about the value of the media to a dictatorship. A Supreme Court judge was worth between $5,000 and $10,000 a month, and politicians in the same or different parties were paid similar amounts. But when it came to newspapers and TV stations, the sums were in the millions. Fujimori and Montesinos paid $9 million on one occasion and more than $10 million on another to control TV stations. They paid more than $1 million to a mainstream newspaper, and to other newspapers they paid any amount between $3,000 and $8,000 per headline. Fujimori and Montesinos thought that controlling the media was much more important than controlling politicians and judges. One of Montesinos's henchmen, General Bello, summed this up in one of the videos by stating, "If we do not control the television we do not do anything."*
>
> *The current extractive institutions in China are also crucially dependent on Chinese authorities' control of the media, which, as we have seen, has become frighteningly sophisticated. As a Chinese commentator summarized, "To uphold the leadership of the Party in political reform, three principles must be followed: that the Party controls the armed forces; the Party controls cadres; and the Party controls the news."*
>
> *But of course a free media and new communication technologies can help only at the margins, by providing information and coordinating the demands and actions of those vying for more inclusive institutions. Their help will translate into meaningful change only when a broad segment of society mobilizes and organizes in order to effect political change, and does so not for sectarian reasons or to take control of extractive institutions, but to transform extractive institutions into more inclusive ones. Whether such a process will get under way and open the door to further empowerment, and ultimately to durable political reform, will depend, as we have seen in many different instances, on the history of economic and political institutions, on many small differences that matter and on the very contingent path of history.*
>
> (Acemoglu 460-462)

To conclude: while the media may be a potential solution, it is more likely that the drive to acquire and the law of emotionality ensures an unstoppable and inevitable disintegration of a nation's inclusive institutions, as while economic ascent may occur under inclusive institutions it is the fortification of wealth accrued that turns those institutions extractive. Indeed, it is in the incentive of an ascendant — due to their drive to acquire and their drive to defend — to prevent creative destruction by stifling competition and eroding the inclusivity of institutions. If these incentives align with the incentives of political leaders, who may notice the possibility of personal gain by supporting the transition from inclusive to extractive, one or more economic behemoths can collude with one or more political leaders — explicitly or implicitly — to reinforce and mutually benefit each other. Over time, as like-mindedly extractive individuals continue to make their way into the economy and government, and a culture of corruption festers due to the drive to bond, institutions are eroded, extraction thrives, and the living standards and incomes of the average person decline — indicating national failure. This entire path seems to be an unlikely and uncommon outcome, but given the significant weakness of humanity to controlling its desires, and the infinite nature of time, it becomes certain that national failure is inevitable.

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