

# [A link between colonialism and development](https://assignbuster.com/a-link-between-colonialism-and-development/)

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Analysis Acemoglu and Robinson emphasizes on historical factors of s that are exclusive, as well as those that are inclusive. Typically, exclusive institutions mainly focus power into the control of small number of select few, with the power concentration then triggering extractive economic circumstances to enhance the select few by inaugurating high entry barriers and trade regulations. Conversely, inclusive institutions are naturally pluralistic, which is formulated individual rights including property rights. As a long-term effect, such institutions aid in achieving higher economic welfare and income.
In regards to the authors, their argument logic exemplifies that there is a link between colonialism and development (historical determinant), that areas where settlers from Europe have reached are prospectively to have potential for enhanced institutions. The authors had stated a theory that different kinds of policies of colonialism resulted to diverse kinds of institutions from settling states and extractive states, settlement feasibility influenced the theory of colonization in regards to the extractive state having unlivable environment, and colonial states and institutions continued after attaining independence. They supposed that the manifestation of settlers from Europe during the colonialism era led to a considerable influence on the development in the areas of their settlement.
The authors also avail evidence regarding their argument concerning economic growth and historical determinants. For instance, Canada, the united States, as well as, Australia where Europeans immensely settled have representative and protective institutions. Thus, they argue that colonization or the European settlement served as a foundation for sturdy institutions and future growth, as well. Additionally, they demonstrated that minimal distortionary policies and enhanced secure property rights would aid in investing more in human and physical capital that will be greatly utilized to attain an advanced income level. Further, they also possess check and balances systems to make certain equal power among government branches. On the contrary, an extractive state such as Congo that has extracted from Belgium is characterized by the absence of check and balances and property rights to impose exploitation from the government, and their key aim emphasizing on transferring resources to Belgium. This discourages opportunity from the development of the economy.
Nonetheless, the argument by Glasser was a counter argument. Glasser posit that despite the Europeans influencing the places that were colonized with “ Neo-Europes”, the economic growth potential for such areas were not because of the formation of institutions, but instead the human capital was able to deliver, as well as achieve. This encouraged institutional growth and development. Therefore, this efficacious achievement of the human capital is the purpose why Europeans took possession of states such as Canada, U. S, and Australia, which were able to attain growth and development of institutions.
Conclusively, one policy that can be related is that the more democratic a state is, the greater the potential to establish better institutions and attain outcomes such as the growth and development of institutions. Furthermore, institutions are essential for the development of a state. In this case, however, more democratic does not relate only to the type of regime, but also how the level of gender equality, the extent of freedom alongside human capital. Additionally, it also implies the extent to which individuals can intervene in economic and political activities such as voting rights, capitalist markets, and the extent of power sharing including check and balances.
Banerjee and Duflo’s claim regarding policy is similar to mine, which is that the purpose of the existence of political institutions is to prevent private benefits. The two author believe that good and sturd elementary political institutions are essential prior to any policy implementation. The authors addressed the term “ Long shadow” in regards to the institutions of countries that emphasized on the benefit instead of development with India being a good example. India had two distinctive policies that were concern with land revenue collection. Consequently, there was less support for hospitality, education and social scholarship. As a result, India emphasized that establishing excellent policies alongside excellent political institutions would lead to a success in sectors such as education and healthcare quality.