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Does the Nobel Prize in Economics 2024 Signal a Reversal of Fortunes for Settler Colonialism?

Professor Kate Meagher questions whether the Nobel Prize awarded to Daron Acemoglu, Simon Johnson and James Robinson reignites debate over whether settler colonialism fostered development through “inclusive” institutions or perpetuated exploitation and exclusion of indigenous populations. This is as part of our [Nobel Prize in Economics 2024 series](#).

The announcement that this year’s Nobel Memorial Prize in Economic Sciences was awarded to Daron Acemoglu, Simon Johnson and James Robinson has stimulated a frisson of excitement among LSE International Development (ID) students, past and present. Readings by Acemoglu, Johnson and Robinson have been so prominent in ID courses that the trio have their own acronym: AJR. But AJR are not only a pedagogical staple in ID; they have become quintessential ‘rock star’ economists on the international development stage. Their seminal article on colonialism and comparative development has over 18,000 citations, while the book, *Why Nations Fail*, by Acemoglu and Robinson, is an academic best seller. According to another ID guru, [Dani Rodrik](#), AJR have helped to make the study of history and institutions ‘cool again’. More controversially, they have also helped to rehabilitate settler colonialism in contemporary development thinking.

One of AJR’s central academic contributions relates to the role of colonialism in implanting ‘good’ as well as ‘bad’ institutions in the countries of the Global South, challenging the prevailing view of colonial legacies as exerting an essentially negative impact on the developing world. AJR’s findings challenged the argument of Dependency Theory that colonialism and neocolonialism were central to the ‘[development of under-development](#)’, while decades of critical development scholarship have highlighted the damaging effects of colonial legacies on contemporary development outcomes. Books like *The Wretched of the Earth*, *Silent Violence*, and *Late Victorian Holocausts* offer disturbing accounts of the devastation of indigenous societies by colonizing powers, troubling the mainstream portrayal of Western nations as unalloyed transmitters of development. By the turn of

the millennium, mounting evidence of the damaging effects of colonial legacies, alongside the **failures of neoliberal policy reforms**, were unsettling the legitimacy of the Western-led development orthodoxy while **decolonial perspectives** were beginning to seep into development debates.

Enter: AJR. Their 2001 article on 'The Colonial Origins of Comparative Development' burst on the development scene like Mentos in a bottle of Coke. Suddenly the world of international development was afizz with debates about **which colonial legacies** matter, whether institutions really **trump geography**, and whether some colonial powers were **more developmental than others**. Not only did AJR's research popularise economic history among mainstream development economists, but some might say it provided a perfect distraction from the **embarrassing neoliberal policy failures** of the time. Tracing developmental outcomes to choices made 500 years ago made recent policy slip-ups less problematic.

A central element of AJR's wider corpus is that successful development requires the establishment of inclusive institutions, including secure property rights, rule of law, and democratic participation. In the context of colonialism, they argue that inclusive institutions were established in places where European colonists were able to settle. Conversely, extractive institutions persisted or emerged where conditions precluded settlement, incentivising more exploitative modes of governance – except in Botswana where 'unique' indigenous institutions were trotted out to explain African development success without settlers. Innovative econometrics turned these arguments into convincing causal mechanisms, offering compelling quantitative legitimacy for a new perspective on the role of settler colonialism in development. In short, AJR managed to turn settler colonialism into a hero rather than a villain of development.

As is the way with academics, Nobel prize-winning ideas are often confronted by significant criticisms. A number of scholars argued that AJR's model of inclusive institutions involved problematic exclusions of important countries and populations. Regarding countries, **Gareth Austen** notes that African countries were treated as the home of extractive colonialism, ignoring the significant number of African settler economies, including South Africa and Kenya. The widespread dispossession of land in Kenya and more spectacularly in South Africa, where violence and forced removals allowed settlers amounting to less than 20% of the population to **seize 87% of the land**, sits uneasily with the idea that settlers introduced inclusive institutions and secure property rights. Similarly, the notions of inclusive institutions in settler economies seems to have glossed over who exactly colonial institutions included. Not only in African settler economies, but in Australia, Argentina, Canada and the United States, **the lot of indigenous populations** was more about mass extermination and economic and social marginalization than inclusion. Somehow, in the work of AJR, the mathematical modelling, and paradoxical focus on the deaths of white colonial actors, make the enterprise of settler colonialism seem less bloody and less devastating.

It is also interesting to compare AJR's findings with the views of African scholars, who assess settler economies and colonial institutions from the receiving end of colonialism. The typology of

colonial economies developed by **Samir Amin** in 1972, and further elaborated by **Thandika Mkandawire**, identifies settler or 'labour reserve' economies as particularly damaging to popular inclusion. For the non-white majorities, the institutional set-up of settler economies was less about inclusion than about crushing and criminalizing indigenous institutions. Similarly, **Mahmood Mamdani** notes that histories of settler colonialism tend to deploy deeply Eurocentric tropes of frontiers and civilizing missions to invisibilise the perspectives of the colonized. Mamdani argues that the true test of institutional inclusiveness in settler societies is how they respond to the idea of decolonizing their institutions.

While the debates rage on, awarding the Nobel Prize to AJR has created a timely opportunity to refocus attention on the implications of settler colonialism for the contemporary developmental prospects of nations. With all eyes on the Middle East, the question emerging from AJR's work is whether the trio are right, and nations lacking inclusive institutions and secure property rights for their populations will ultimately fail, or if their critics are correct in arguing that the developmental success of settler colonialism actually lies in the subjugation, dispossession and mass extermination of indigenous populations. It is intriguing that the timing of AJR's Nobel Prize coincides with an ongoing natural experiment to test their theories. As development scholars, the question is whether we should just wait for the outcome and adjust the model, or use the lessons of history and the imperatives of international law to press for more inclusive and humane outcomes.

The views expressed in this post are those of the author and in no way reflect those of the International Development LSE blog or the London School of Economics and Political Science.

Featured image: Daron Acemoglu ([source](#)), Simon Johnson ([source](#)) and James Robinson ([source](#)), awarded the Nobel Prize in Economics 2024.

About the author



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