CHAPTER 3

HOW POLITICAL PERFORMANCE IMPACTS CONFLICT AND GROWTH
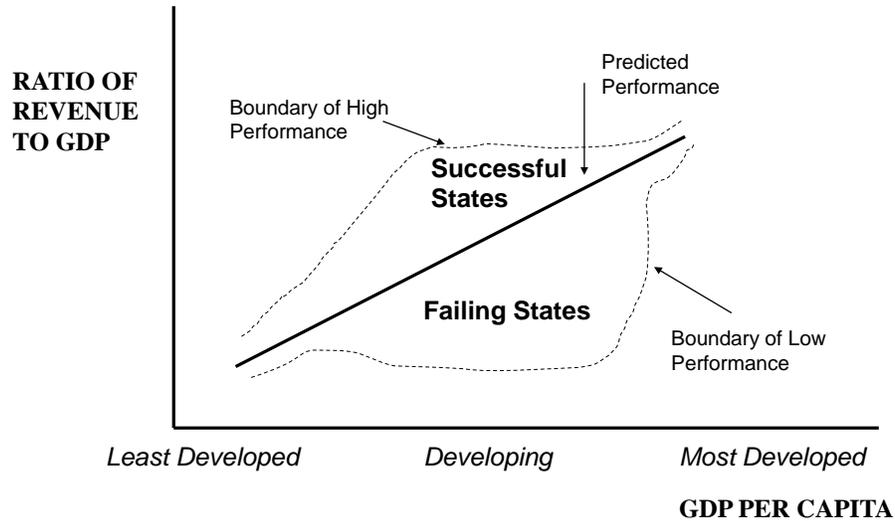
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Context

The Political Performance of nations is based on the ability of governments to achieve desired goals. Governments achieve desired goals by optimizing resource extraction, by reaching populations and by allocating revenues to advance public goals. When threatened by domestic challenges or foreign opponents, more capable governments are expected to outperform less capable opponents.

The same is true for long term economic performance. Capable governments in societies that adopt viable economic strategies are expected to perform far better than those which cannot bring their political house to order. From this perspective, capable governments can recover from disasters because they have the organizational capacity and they are able to mobilize their populations.

Most indicators of political performance conflate economic and political performance. Indeed, as we show in Chapter 1, World Bank measures of political performance consistently over estimate the political capacity of the relatively affluent. Such measures imply that economic success is directly related to political performance. Our main contention is that economic capacity is not equivalent of political performance. We further argue that political performance is not related to the type of government.

While it is correct to assume that a relatively affluent society has institutionalized means to capture resources from its population, we believe that well organized and relatively poor societies can raise political performance far above that of their more affluent counterparts. Moreover there is a tendency to associated democratic performance with economic success and political efficiency. Again we believe that this is not necessarily so. And we offer Figure 1 as evidence.

Figure 1: Political Extraction and Economic Performance

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RATIO OF                              Predicted
REVENUE                               Performance
TO GDP          Boundary of High
                Performance
                              Successful
                              States

                              Failing States
                                              Boundary of Low
                                              Performance

        Least Developed        Developing         Most Developed

                                              GDP PER CAPITA
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Affluent nations, concentrated among democratic regimes, clearly benefit from their fiscal resource base which can be tapped by the government. Indeed, among the most developed societies, extraction approaches 60 percent of total output. Yet, this high level sets limits to the government's ability to *increase* revenues. Developed societies function effectively but have little room to maneuver under the stress of war or an economic downturn.

By contrast, developing societies extract lower levels of revenues but are capable of mobilizing far more because there is much slack in their revenue extraction. Under stress, successful developing societies such as Japan in World War II or North Vietnam in the 1960's, were able multiply their "normal" capabilities by tapping new sources of revenue.

This is not a general pattern. Many developing societies are not effective revenue collectors and are only capable of grabbing public resources from among the low lying fruit – particularly oil revenues or tariffs from exports. These sources of public revenue are difficult to hide and require limited government capacity to obtain. Saudi Arabia is a case in point. Controlling for oil revenues, this society approaches the capabilities of Yemen. The least developed societies are constrained. The very poor cannot extract resources without directly reducing the health and lifespan of populations that already exit at the margin of survival.

An important pattern emerges. The most developed societies are constrained because they have already captured much of the resources available and further extraction would face well organized resistance. The least developed societies extract little and are constrained by the lack of productivity in society. The developing societies have the most to gain or lose. Raising extraction is possible because production is not universally taxed but at the same time lack of institutionalization and resistance to government presence inhibits revenue collection resulting in government deficits and under investment in the public sector. We contend that the key to development can be traced to political performance. Governments that perform well politically succeed; those that do not fail and must live with low incomes and poverty.

 The variance in RPE is a telling indicator. Developed societies are relatively stable because the variance in political performance around the mean (1.0) is very small (0.9 to 1.2). This predictability generates stability, but also limits the ability of governments to fundamentally alter already existing structures. Developed societies already have pre-committed much of their large budgets. The ability of the governing elite to alter the economic path is constrained because they cannot dramatically increase alter their revenue flows.

Developing societies have great opportunity and equally great peril. The variance around normal performance (1) in political extraction is extreme (0.2 – 4.0) in peacetime. Major improvements can be followed by catastrophic declines in productivity. Budgets are limited and insufficient to provide for required public goods. There are frequent sub-optimal allocations and major distortions. The government is able to alter extraction in a major way if sufficient motivation and reach is achieved.

The least developed societies are constrained by the lack of resources. It is very difficult to extract revenues for public goods from a marginalized and impoverished population. Societies that break away from such constraints and increase life spans, education and nutrition can catapult from the poverty trap to rapid growth. In these societies political performance is the key to growth and prosperity.

The key to understanding these phenomena rests with establishing the validity of political performance. The following historical examples point the way.

Validation of Political Performance Measures

Total Conflict

A basic way to validate the measures of political extraction proposed in this volume is to evaluate how governments performed when their nations were at war. The reason is reasonably obvious. When the very existence of the government and the nation itself is at stake, governing elites maximize their extractive capacity (Kugler and Arbetman, 1989; Benson and Kugler, 1998;

Bueno de Mesquita, Smith, Siverson and Morrow, 2003). A nation threatened by foreign invasion is expected to maximize resource extraction to avert defeat. We postulate that political performance – regardless of the type of government in power – is a key indicator of success in such a situation.

One challenge is to distinguish between "total" war when the core territory is directly in peril, and "limited" war when a nation can withdraw from conflict with territorial impunity. Few total wars have been waged, but a sufficient sample in the last century is available to validate the extractive capacity of nations. Therefore we will examine the performance of the great powers involved in World War I and II. Following Kugler and Domke (1986) each conflict is separated into "fronts."   But instead of just using GDP to measure the capabilities on both sides in each front, we will add in RPE to the equation. Then we will take a look at the two resulting snapshots of history—one using just GDP and the other GDP and RPE. The general equation and definitions are found in this footnote below.[1]

World War I

First, the snapshot of World War I based on power measurement using GDP. A similar exercise done with the CINC index produces equivalent results but is less useful because CINC is also affected by variation in the number of nations included in each collation, thus distorting results.

Figure 2 shows the relative capabilities of allied and Central Powers obtained by adding the GDP output of these contenders:

Figure 2

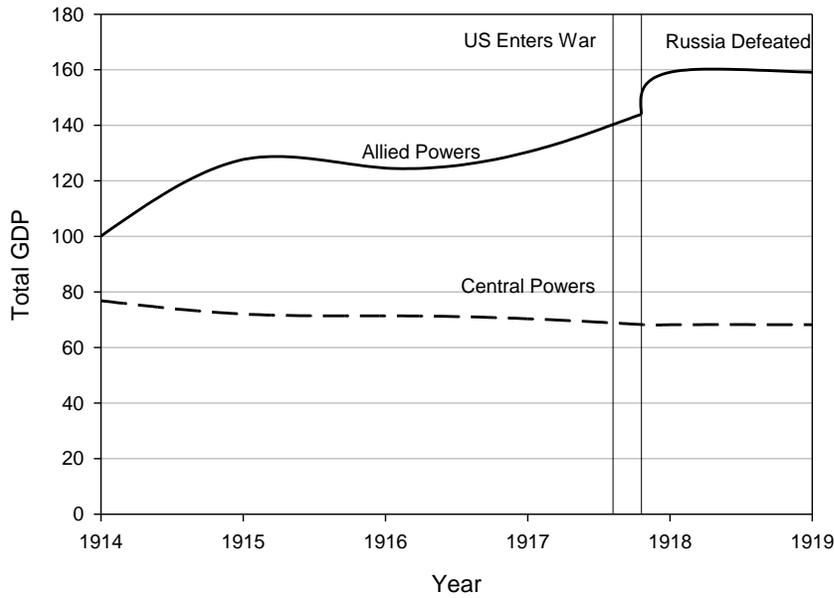[1] $Power_{ik} = GDP_{Ik} * RPE_I$
GDP_I = Gross Domestic Product Allocated to front k
RPE = Relative Political Extraction
i = Country
k = Proportional allocation to front k

GDP of Allied and Central Powers

The GDP based power calculation for the Central Powers was about 70% that of the Allies. This suggests that The Central Powers should have been at a substantial disadvantage from the onset of World War I. Of course this is not consistent with the record. Not only did the Central Powers take the initiative but they defeated Russia in 1917 and then turned to the Western Front anticipating victory that was only thwarted by the entry of the United States.

A different pattern emerges when controls for political performance are introduced:

Power of Allied and Central Powers
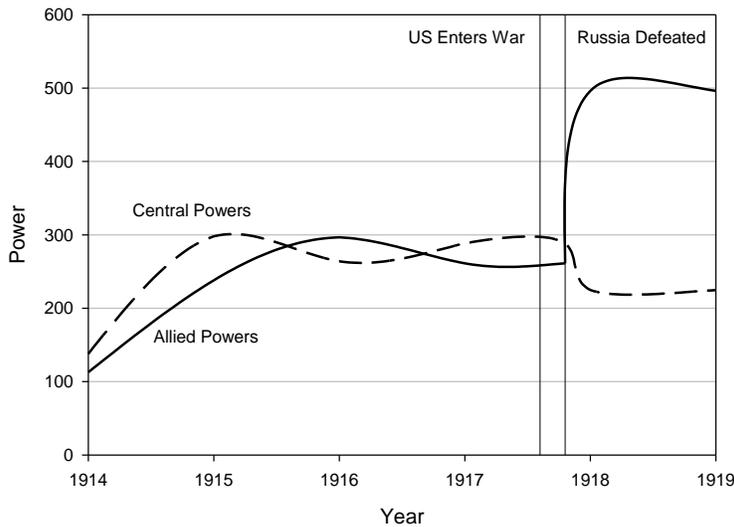
Now we see that the Central powers have a slight advantage over the Allies at the onset of the conflict but that advantage evaporates into parity only to reappear as a modest gain when Russia collapses. The entry of the United States more than compensates for the loss of Russia and proves to be decisive in the defeat of Central Powers. This assessment mirrors reality quite closely.

One of the attributes of this combined power measure is that calculations can be disaggregated into realistic component parts. We can, for example, look at the war based on the Eastern and Western Fronts. In 1914 based on GDP allocations to the Western Front, the Central Powers and Allies enter the conflict at parity (Allies/Central = 1.1). Yet, in 1915 through 1917 the Allied powers become preponderant (Allies/Central = 1.8 for 1915-1917). Based on GDP assessments the allied powers should have defeated the Central powers in the West. Of course this was not the case.

A similar story holds for the Eastern Front. The Central powers allocate less than 70 percent of Russian GDP to the Eastern Front from 1914-1917. Yet it is Russia, not the Central powers, that collapses. Finally, as the US enters the conflict, the Allied Powers hold a 2/1 ratio in 1918.

Controlling for allocations by war fronts, GDP fails to account for the defeat of Russia and does not reflect the battlefield reality in the Western Front from 1914-1917. It is only after the entry of the United States that GDP ratios predict the ultimate Allied success in the Western Front.

Political extraction is the key for rectifying the disconnect between GDP predictions and reality. In the Western Front, the Central powers hold an initial advantage over the Allied powers. This is reversed in 1916 and early 1917 to a ratio of approximately 80 percent.   In the eastern Front the Central powers match Russian capabilities in 1914 and 1915, and then gain ground so in 1917 Russia has less than 40% of Central power resources.

Unlike GDP, the combined power index accurately anticipates the defeat of Russia. At the end of 1917 the withdrawal of Russia weakens the Allies but the infusion of resources from the United Sates decisively overwhelms the Central Powers in the Western Front (2/1 ratio). As most historians recognize, the intervention by the United States tipped the balance decisively.

World War II

Based on GDP (Figure   ), or the CINC Index, the Axis powers should have defeated the Allies in 1939 and 1940. And there is some evidence to support this assessment. France fell after offering only token resistance and Britain held by a thin thread during the Battle of Britain. But the GDP tide turns in mid 1940 and by 1941 and Operation Barbarossa, the GDP data mirrors reality by forecasting the Russian defeat of Germany in the long winter war. Caulk one up for GDP as a predictor of battlefield power. But don't rule out political extraction. The power

measure that adjusts GDP with political extraction shows a very similar picture as demonstrated

GDP of Allied and Axis Powers

in Figure   .

Power of Allied and Axis Powers

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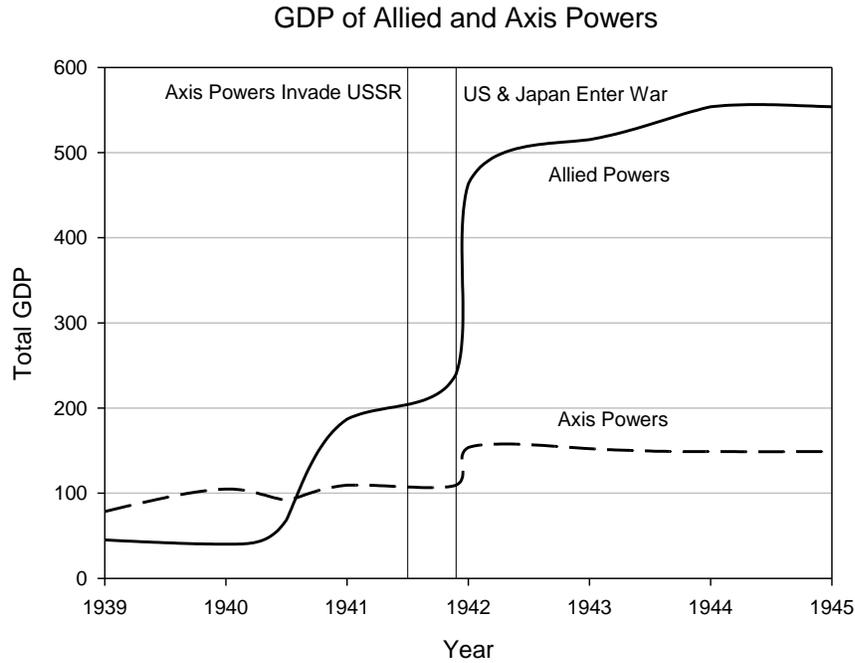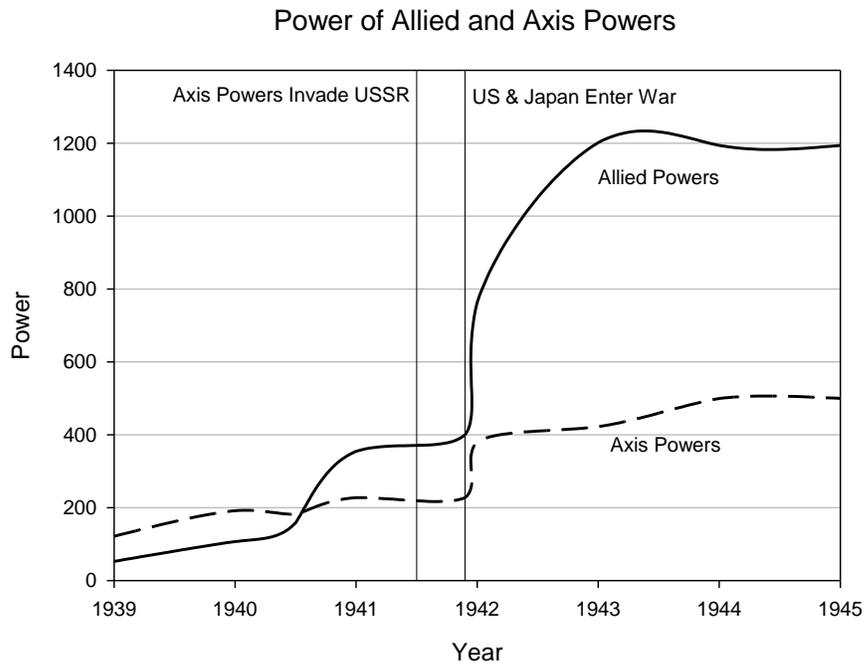
Either the GDP or the adjusted Power measure produce equivalent results and both reflect the ground truth of the war.   The Axis powers dominate in 1939 and early 1940 but the Allies close the gap during the Battle of Britain. The entry of the United States produces a 2 to 1 ratio in favor of the Allies (rather than the 4 to 1 ratio suggested by GDP).

The story by front is similar. Both calculations systems provide an accurate picture of the war in each front but the political performance option appears more refined.

Incorporating political performance into a power equation provides more accurate and refined results than the far more frequently used military capabilities data, GDP or the CINC Index.

Regime Types

Political extraction is independent of regime type. Consider first authoritarian regimes. Russia, a developing nation during World War I, was defeated because the Tsar's authoritarian regime was unable to mobilize its resources. Russia only managed to double its "normal" extraction capacity during WW I while Germany extracted 4 times as much from its population.

 In World War II Japan was an authoritarian regime that mobilized resources far more effectively than any other contender. The USSR maintained a steady performance but did not match the exceptional effort by Japan. Germany actually increased its political performance during both World Wars despite losses on the battlefield. In sum, authoritarian regimes are capable of extracting effectively under stress.

The story is no different for democracies. France mobilized effectively during World War I but did a poor job during World War II. The United Kingdom performed very effectively both in World War I and II. Its highest performance was achieved during the Battle of Britain in 1942 and tailed off after the United States joined the war. The United States increased and maintained relatively high performance during both World War I and World War II but did not mobilize as much as Germany or Japan.

Given differences in levels of development it is difficult to make direct comparisons between authoritarian and democratic nations. But authoritarian Russia in World War I and democratic France in World War II failed to extract resources even in the face of imminent danger. France extracted effectively in World War I and the USSR did likewise in World War II. Associating regime type with political capacity clearly is inappropriate.

The modest evidence on hand suggests that the type of regime fails to predict the performance of governments. But it is worth some modest amount of speculation. Democratic regimes seem more capable of a sustained effort while authoritarian regimes seem to achieve short but high bursts of extractive capability.[2]

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[2] Democracies are thought to be likely to fight less but once engaged be more determined and patient in order to succeed (Bueno de Mesquita et.al., 2003). We propose that success, endurance and commitment during conflict depend on the level of political capacity of the government. Capable governments will wage war more successfully, will allocate more resources, and will fight longer than their less capable counterparts. The regime type does not determine such capabilities.

We have noted at the outset that political extraction can vary most among the less and least developed societies. For that reason the effects of politics should be far more pronounced in conflicts that involve the developing rather than the developed world. We now turn to that analysis.

The Developing World

Comparisons thus far concentrated on great powers or relatively developed societies. We now turn to conflicts where the less and least developed societies confront the most developed societies.

Again it is important to identify "total" wars. The intervention of third parties directly affects the outcome of conflicts involving the least developed societies. It is impossible to understand the outcome of the Korean War, for example, without taking into account the intervention of the United States and China. The direct intervention of these actors determined the eventual settlement. For the United States, Korea was far from a total war – the effort was limited, the resolve constrained. A negotiated outcome ended the war. There was no call for "unconditional" surrender. The vanquished were not occupied.

The Korean War was a "total" war from the perspective of both Koreas, but it was a "limited" conflict from the perspective of major powers. To make any valid comparisons we need to incorporate the effects of foreign intervention and aid into conflicts among the least developed and developing societies.

For this purpose we have selected mayor conflicts following World War II where relatively reliable political performance measures are available for the competing parties and the conflict approximated the characteristics of a "total war". The measure of power is augmented to incorporate the effects of foreign intervention and foreign aid. Power is calculated in this footnote[3]:

As a first cut we will evaluate wars in designated categories. For developing countries: Iran-Iraq. For wars of internal unification: North and South Vietnam. For civil wars: Afghanistan.

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[3] $Power_{ik} = GDP_I * RPE_I + Foreign\ Aid_j * RPE_I$
GDP_I = Gross Domestic Product Allocated
RPE = Relative Political Extraction
i = Recipient Country
j = Donor Country

Wars among Developing Nations: Iran-Iraq

The Iran-Iraq war of 1980-1988 is of interest because both contenders are less developed societies. Here again the relative economic capabilities, GDP or CINC Index, of the contenders provides little information about the ultimate outcome. Consider the results in Figure   .

Prior to the conflict, Iran is approximately three times larger than Iraq in terms of GDP. Conditions for a war emerged as the Shah left Iran for exile in mid-January 1979, and in the resulting power vacuum Saddam Hussein saw an opportunity to reclaim full control of Shatt el Arab waterway. Despite the decline in the Iranian economy since 1977, the disparity in GDP strongly suggested that Iran was in a superior position. Again this does not match reality.
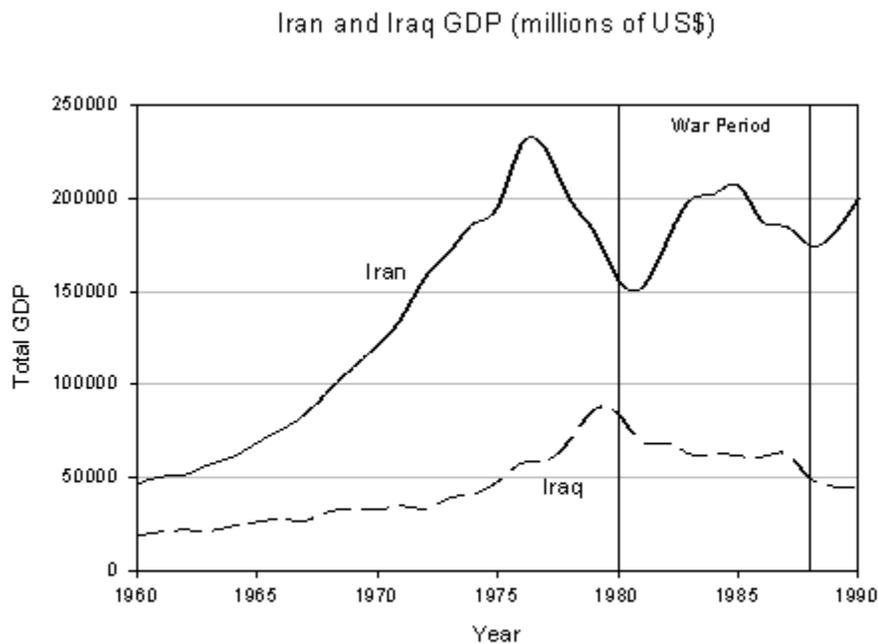
Iran and Iraq GDP (millions of US$)

Figure (   ) represents GDP adjusted by political performance. Iraq compensates for a smaller base GDP by extracting more from the Iraqi population throughout the period. The 1977-80 decline in Iranian capabilities now does not appear so significant. Initial successes by Iraq during the conflict in 1980-1982 led to the occupation of over one thousand square kilometers of

Iran. However the effort is stopped after both sides suffer massive losses in Khorramshahr. From 1982-1984 on Iraq adopts a defensive position with Iran gaining some ground. There is a war of attrition between 1984 through 1986. Note that Iraq recovers some ground in 1987-1988 largely because of the continued decline of an overextended Iran. Eventually a cease fire was negotiated followed by a peace agreement.
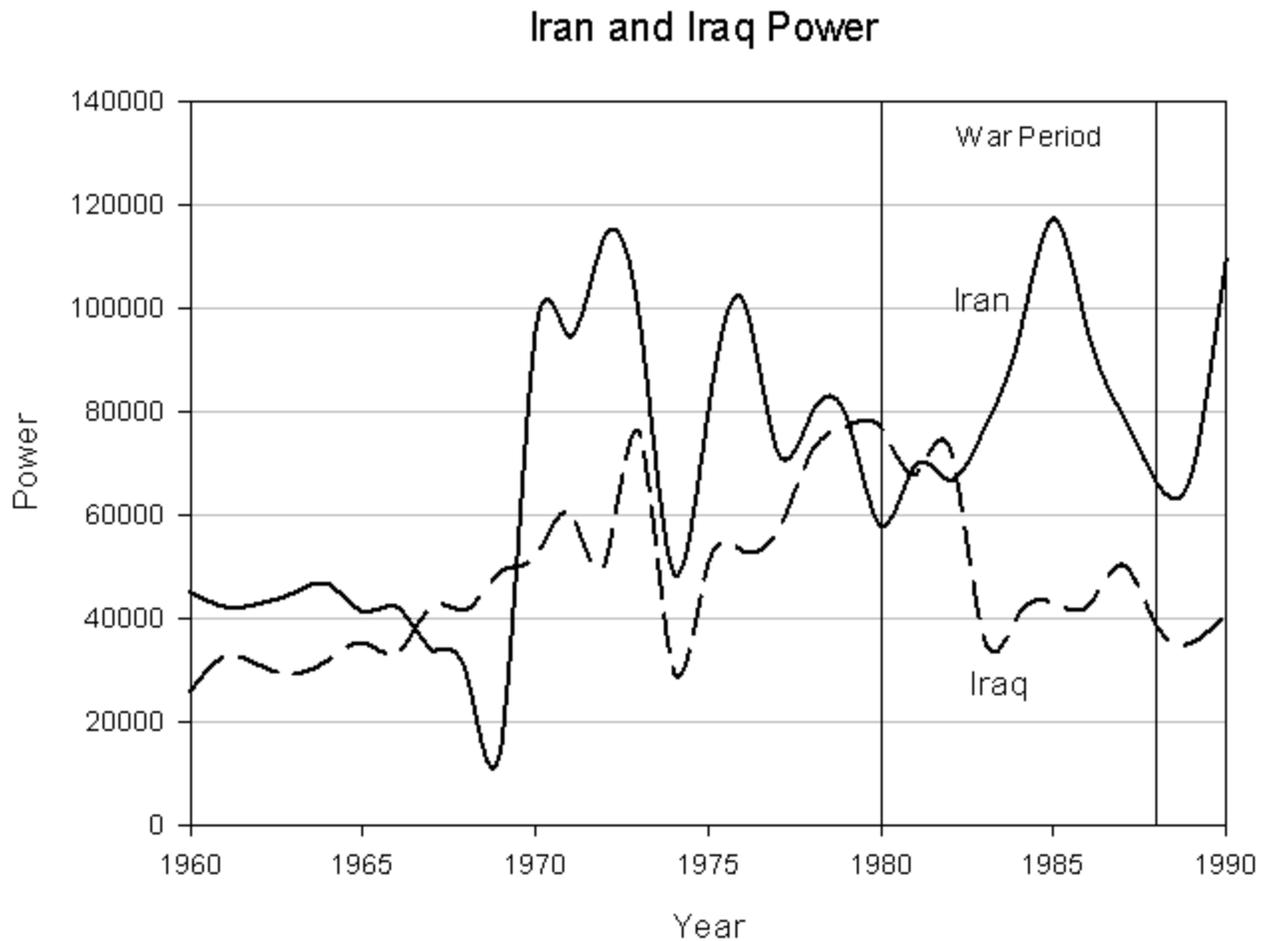

The story of Figure   . closely tracks the events of the war. Iraq fights and advances at parity reflecting its superior military capabilities. But it cannot overtake the larger but less mobilized Iran. This sets up the conditions for a long bitter war concluding in a draw and reimposition of the status quo ante.

Wars of Internal Unification: North and South Vietnam

The Vietnam conflict shows how political performance can alter anticipated outcomes of wars of internal unification. US involvement started with a few advisors in 1950 and then increased sharply in the early 1960's. Combat troop deployment begun in 1965 after the Tonkin Bay incident, and accelerated in 1968 concurrent with the Tet Offensive. The US military effort declined afterwards and combat troops were withdrawn following the Paris Peace Accords of 1973. The civil war within Vietnam ended with the fall of Saigon in April 1975.

Measured by total output, South Vietnam towered over North Vietnam throughout the conflict. At no point did North Vietnam out produce the South (Figure   ). Political mobilization adds a different twist. North Vietnam extracted far more from far less. Their ability to extract and mobilize far exceeded that of the South which was never able to reach even "normal" levels of performance. One reason may be that the war was largely waged in the South but intense bombing of the North should have limited the ability of that government to extract resources 3 and 4 times higher than normal performance.   Moreover, the enormous foreign aid provided to the South needs to be considered.

Figure   North and South Vietnam GDP (Millions of US$)

North and South Vietnam GDP (millions of US$)
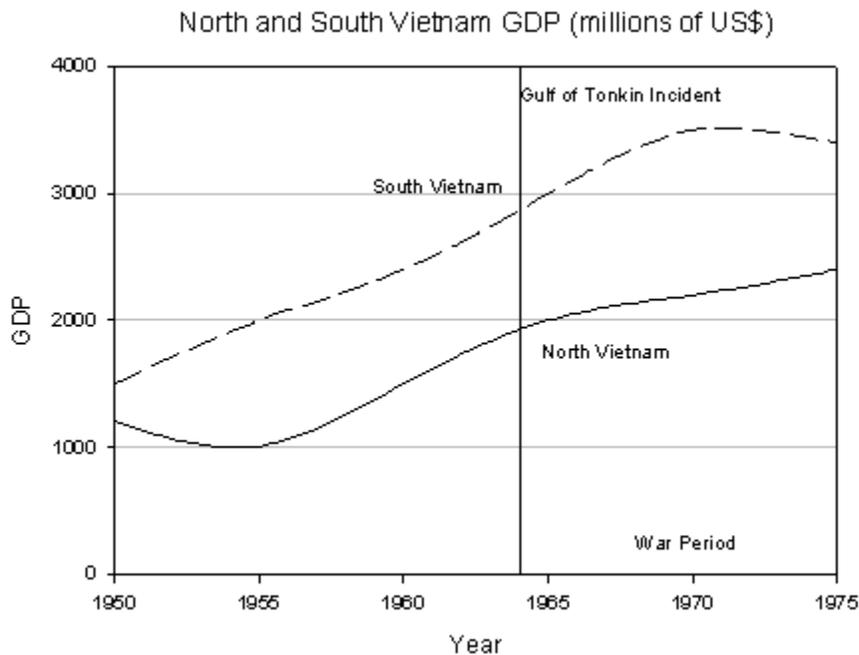
The GDP comparisons, like CINC Index evaluations, indicate that South Vietnam should have dominated this conflict. A no time in this period did North Vietnam approach 70 percent of output of South Vietnam. Counting the financial and military contribution provided by the United Sates, the result should have strongly favored South Vietnam. We know of course that the reverse was true.

Figure___ North and South Vietnam Power

North and South Vietnam Power
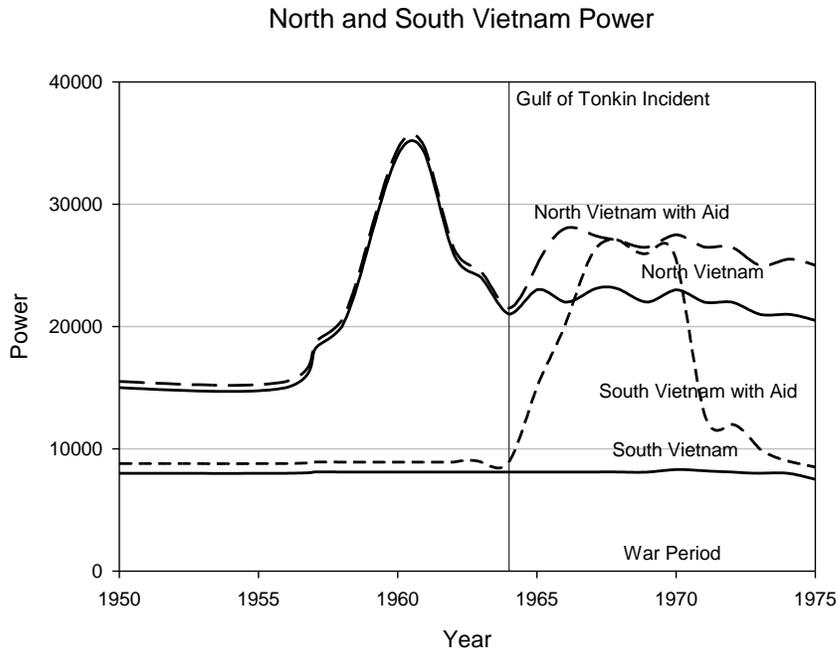
Political performance explains this difference. With the inclusion of political performance in the power equation, North Vietnam dominates the South from the onset in 1950. Because of vastly larger RPC scores, North Vietnam has the strength to overthrow the government of South Vietnam prior to US intervention. Only the provision of massive amounts of resources and military forces stabilizes the war theater between 1965 and 1969. And US withdrawal returns the picture to overwhelming Northern dominance.

The US did not "lose" the war in Vietnam because of questionable generalship, weak political leadership, the draft, the American press, or a fickle American public. The US lost the war in Vietnam because of a nation capable of generating very high levels of political performance— the ability to extract resources from a supportive population united in its commitment.

Intra-State Conflicts: Afghanistan

In wars of internal conflict, such as North and South Korea, Palestine-Israel, and South and North Vietnam, the two sides hold relatively clearly defined territory. The outcome is clear – either one unified nation emerges (Vietnam), the division into two states is reaffirmed (South and North Korea), or the issue is unresolved resulting in a protracted conflict.

It is much more difficult to identify the competing contenders in intra-state wars where the parties are not as well established. The majority of intra-state conflicts are waged by parties that have no defined boundaries. Rebels and the government co-mingle populations and resources. Internal conflicts in Afghanistan, the Congo or Peru pose challenges because the warring parties cannot be easily identified.

It is difficult to estimate political performance with only government performance data and little information about insurgent forces. To partly overcome this serious analytical problem we turn to provincial level data. Generally, but not in all cases, each side in a domestic conflict controls certain, perhaps ill defined, geographic regions.

Such is the case with Afghanistan. Two phases are considered. The initial phase began on December, 1979 following the Soviet troop deployment and ended in February 1989 when the last Soviet troops withdrew. The second phase started on 9/11 of 2011 following Al-Qaeda's strike on the twin towers in New York and continues to be waged as we write.

Phase I. USSR in Afghanistan 1979-1989

Phase I represents the period from 1987-1992 when the USSR and its Afghani allies faced off against the Afghan Mujahidin guerillas supported by the United States. Difficulties of obtaining information about the strength of the Mujahidin prevent systematic cross temporal comparisons but a telling picture emerges from a global assessment of the capabilities of the Afghanistan Government prior to the war.

In 1960 the political capacity of the Afghanistan Government hovered about 70 percent of normal but just prior to the conflict this capability declined dramatically to about 40% of normal and continued to fall during the conflict to levels of less than 20 percent. Of course with only this indication one cannot say much about the outcome of conflicts without taking into consideration the relative capabilities of the opposing parties, but we can deduce that the Afghanistan Government was a very poor partner.

Governments threatened by domestic challenges mobilize resources. But in this case, they demobilized. Where do slack resources go? We believe that very week governments leave resources for the taking by the opposition. Not only was the Afghan Communist government incapable of absorbing the help provided by the USSR but it was losing control over the very population that was required to win the conflict. We surmise that the opposing Mujahidin

guerillas were able to extract resources that the government left behind and to obtain new resources, such as from the US and Pakistan. Therefore, with very crude data on capabilities and incorporating the far less generous external aid provided by the United States, we estimated in 1981 that the Mujahidin guerillas were poised to defeat the resident Russian troops.

This assessment was not found credible by the experts. The US State Department argued that the authoritarian USSR government was not subject to the popular pressures that forced the US government to reduce its involvement in Vietnam. The government was expected to impose no restrictions on the behavior of its troops in combat. It could impose swift and devastating punishment on local populations that supported guerrilla activities. In sum, the difference in the type of government was seen as the main reason for success or failure against a structurally weaker enemy.

We dissented. In a losing effort the United States endured higher casualties in Vietnam (50,000 thousand), spent more treasury ($530 billion in 1965 dollars) and fought longer (14 years) than did the USSR which lost less soldiers (15,000), invested less heavily ($50 billion)[4] and withdrew earlier (9 years).

Phase II. US in Afghanistan 2011-present

This conflict involves the United Sates led coalition and its Afghani allies against the Taliban and Al Qaeda. We have been able to construct provincial level data for this period of analysis. For this domestic intra-state conflict, the provincial level is the appropriate level of analysis.

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[4] CIA (1987, p.1).

Violence Forecast

Changes in RPC
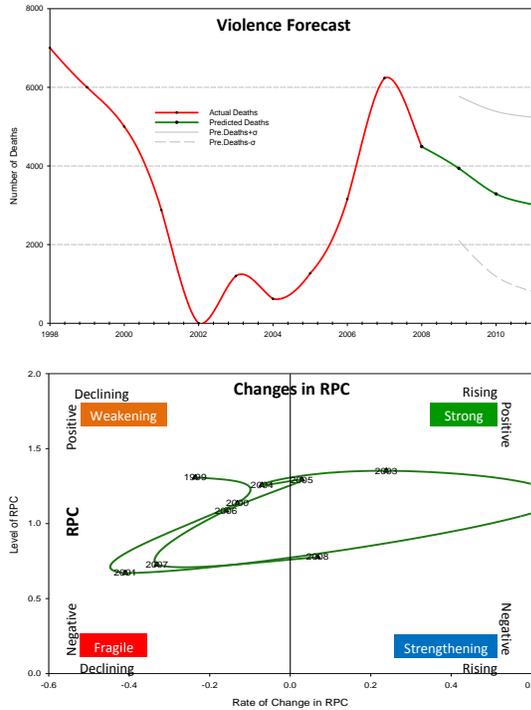
Forecast

Political violence levels are likely to widely fluctuate, ranging from less than 3,000 to more than 5,000 by 2011. This indicates a very slight decline or a very dramatic decline.

Logic

1. National Political capacity is relatively high but extremely unstable, reflecting a steady decline from 2001 to 2008 initiated
2. The government currently remains viable (RPC 0.8) but is vulnerable as this unstable trend continues.
3. Population currently supports government despite a high level of uncertainty.

Potential CoAs

1. External aid can mitigate insurgency but at a cost. Afghanistan's government can absorb external resources albeit inefficiently due to corruption which cannot be avoided (20% at least).
2. Direct military aid is more effective at reducing future insurgent violence but economic investment in local provinces is also beneficial.

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The two figures above show how political performance tracks violence as measured by political deaths. Figure   graphically displays the changes in political performance over time while figure   matches those changes in lock step with violent deaths. Increases in political performance signal a decline in violent deaths while the converse also holds true. The steady decline in performance from 2001 to 2008 forecasts the resulting increase in violent deaths and the loss of government control in certain provinces. In fact, the entire US strategy in Afghanistan, although not represented in this fashion, is based on increasing the political capacity of government at all levels of society.   Higher rates of political capacity result in greater stability and trust in governmental actions.

External aid can mitigate insurgency but only if political performance is relatively high. The challenge for the US position is to insure that investments are absorbed efficiently be they on the civilian or military side. If corruption accounts for 20% at a minimum and low capacity stifles the remaining investment, then no amount of aid will resolve the current insurgency problems in Afghanistan. But a strengthened Afghan government, with higher political capacity, would lead to far more effective transfers of resources which in turn would reduce the amount of violence and perhaps disinvest the insurgency.

**Political Extraction and the Growth of Nations**

Global growth rates are strongly influenced by political performance. In previous sections of this chapter we have evidence that GDP alone is an inadequate predictor of power. But what about growth? We conclude that political performance may be the unseen hand that converts economic potential into assets, wealth, and stable prosperity.

The potential for growth is far larger among developing societies than developed. China and India may be growing at 8-10% annually while the mature economies of the U.S. and Europe lag far behind although with larger bases. Some nations do not grow at all, falling prey to the poverty trap. How then can we tell which nations will succeed while others fail? Clearly it is not the type of government since democracies have no monopoly on fast growth rates. Nor is it geography or natural resources. Political extraction gives us a strong clue as to the answer.

Political capacity can help us understand a wide variety of important development issues. It can suggest to us which nations will recover from conflict or disaster and which may suffer long term negative effects. It tells us why only one of two countries, side by side, with similar populations and geographic placement has a successful growth pattern. It gives us useful information about long term growth trends which in turn helps shape the world of the future.

Consider the relationship among the United States, China and India, the forecasted superpowers of the next half century. Economic estimates now widely circulated suggest the following relationships:

Projected GDP of USA, China & India
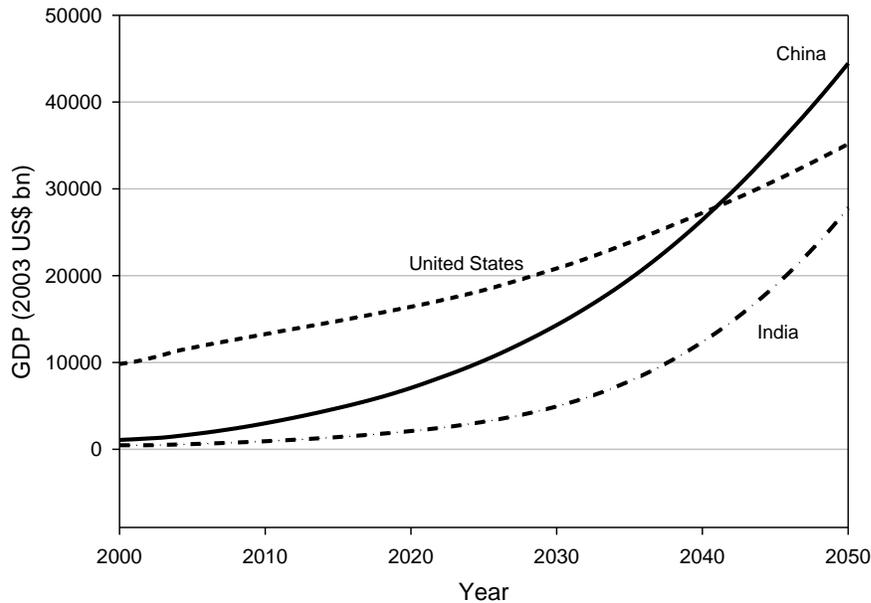
In this assessment China overtakes the United States in GDP, a proxy for power, before midcentury. India is not far behind, overtaking the United States by 2075 and catching up to China by 3000. If and when this comes about, for the first time in over 4 centuries less developed societies will control the majority of resources in the international system. This could well create tensions that may lead to conflict (Tammen et al., 2000).

The focus here is on the speed of this transition. Common assessments run the gamut. Some indicate that China may remain a regional power; others are concerned that China may seek to match US military power and challenge its global influence; other are focused on stability within Asia and the potential for territorial conflict with India. We believe that all such assessments miss a fundamental structural point. Relations will depend in large part on the conditions that emerge and the level of satisfaction or trust among these powers.

What can we state about the potential structures in the future? Consider the anticipated relative capabilities of the United States and China using the mesure of power developed above.

Projected Power of USA & China
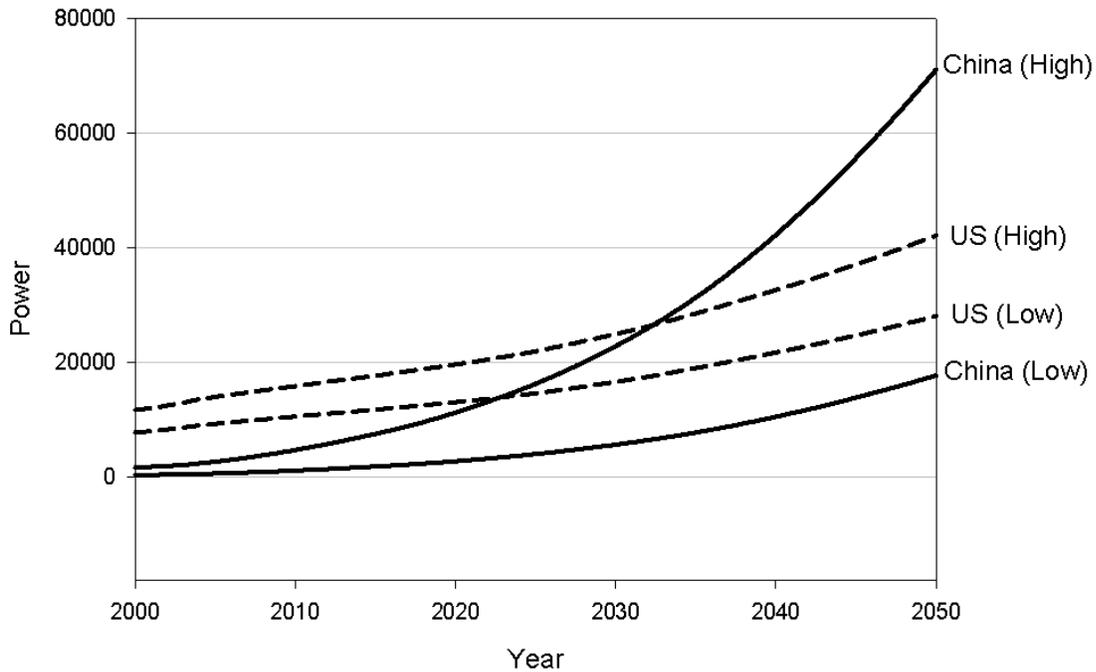
The very wide growth potential for China is driven by the large differences in attainable RPE over the period. If China takes the high road it could double US GDP output by mid century; if the political system weakens it may well fail to catch up to the United States. High political capacity is of course associated with a more effective government that may make efficient demands; while a weak government is likely to be concerned with internal instability and react to the outside world rather than lead it.

Projected Power of China & India
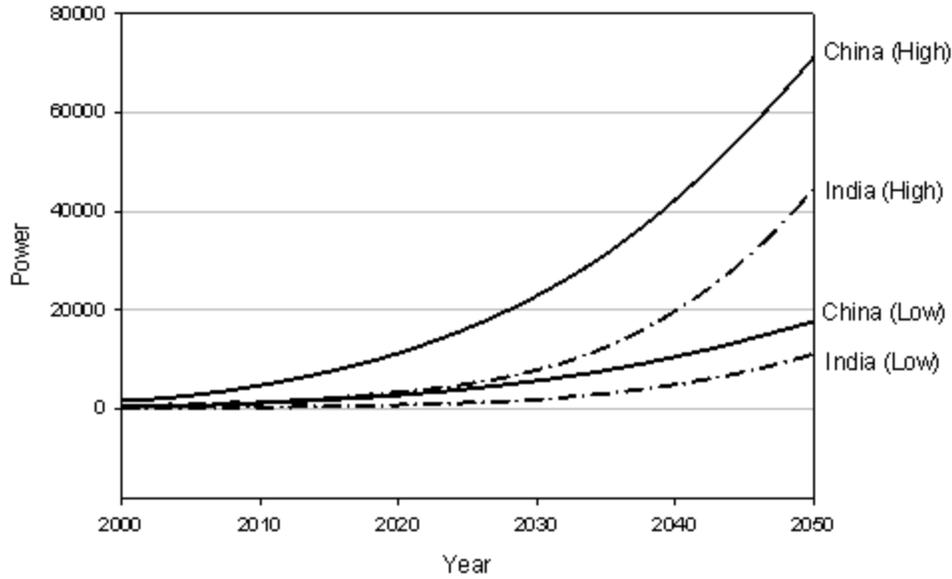
From a transition perspective, the structural conditions in Asia are even more challenging. If India turns on its full potential it may well challenge not only China but also the United States.[5] Under such circumstances it is possible to anticipate that growing regional tensions may well

Projected Power of USA & China

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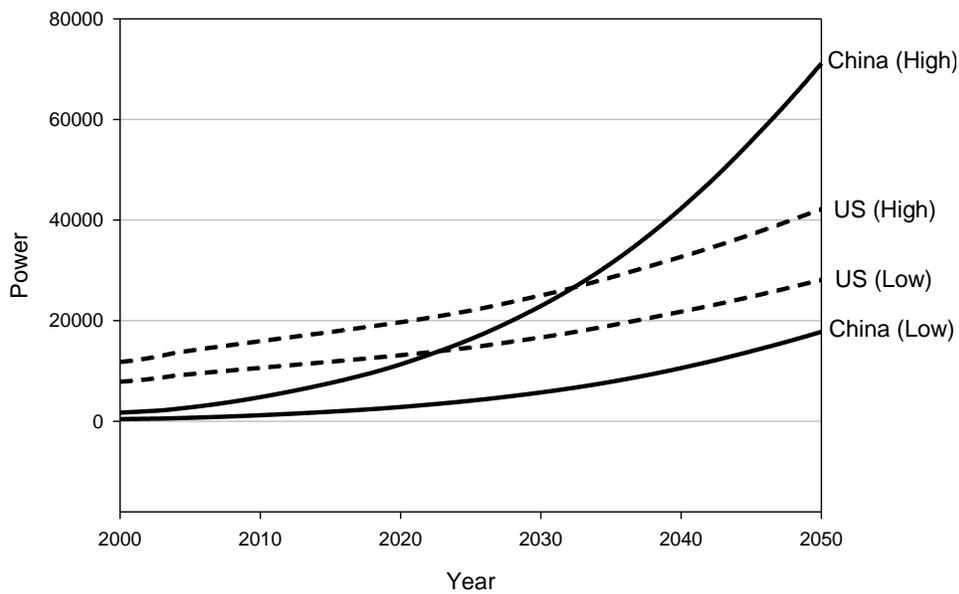
become global issues. Here again, political performance will play a key role. If political capacity spreads prosperity and stability and contributes to the socialization of the world community into a common set of preferences, then even these wrenching economic and power transitions may be accepted peacefully by all parties.

Conclusions

The key conclusion is that an assessment of the political capacity or performance of governments is essential to understand the overall ability to influence others in the international arena. Our analysis of previous conflicts indicates that including political capacity elements in global, regional and intra-state wars allows one to anticipate the potential outcome of conflicts far more accurately than with any other measure. Not only can this be done across states but precision can be achieved if provincial level data is used to assess local variances.

The assessment of overall capabilities is important because developing societies have a far larger potential to grow. This is not only driven by economic factors, but it is also to a large degree determined by the ability of governments to advance their goals effectively. Strong societies succeed in achieving their potential while weak societies are far less likely to reach their potential. The potential overall size is still determined by the size of populations. Technological dispersion can make one set more effective than another but it cannot overcome the limitations of human capital.

Small effective societies like Switzerland or Israel cannot compete for control of the international system. Population size determines that limitation. On the other hand societies already endowed with large populations may improve their ability to extract and mobilize political resources and in so doing challenge for influence in the global arena. India, China, the EU, and the United States are known global players today but tomorrow Indonesia, Pakistan, and Brazil may ride the horse of political performance onto the global scene. Smaller nations may have to unit together to obtain similar scales of efficiency.

Political Performance is the beacon which will light the way for new nations, new developing giants living among us.

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