

Understanding Instability in the Tutulary State

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Introduction

- The present work represents an original work by the author.
- It is part of a larger independent research project on the theory of stagnation, capitalist development in tutelary states, and instability.
- This material may be reproduced with proper quotation and citation.

Tutelary States

Instability in Tutelary States

- Most post-WWII instability conflicts occur, and have occurred, in Tutelary States:
 - Egypt: Socio-political unrest
 - Syria: Civil war
 - Afghanistan: Armed insurgency-Taliban
 - Iraq: Inter-ethnic violence, terrorism
 - Mexico: Narco-violence
 - China: Revolution
 - Vietnam: Civil war
 - El Salvador: Civil war and gang violence
 - Philippines: Communist and Moro guerrilla uprisings

What is a Tutelary State?

- A Tutelary State is a degenerated Tributary State.
- What is a Tributary State and where were they found?

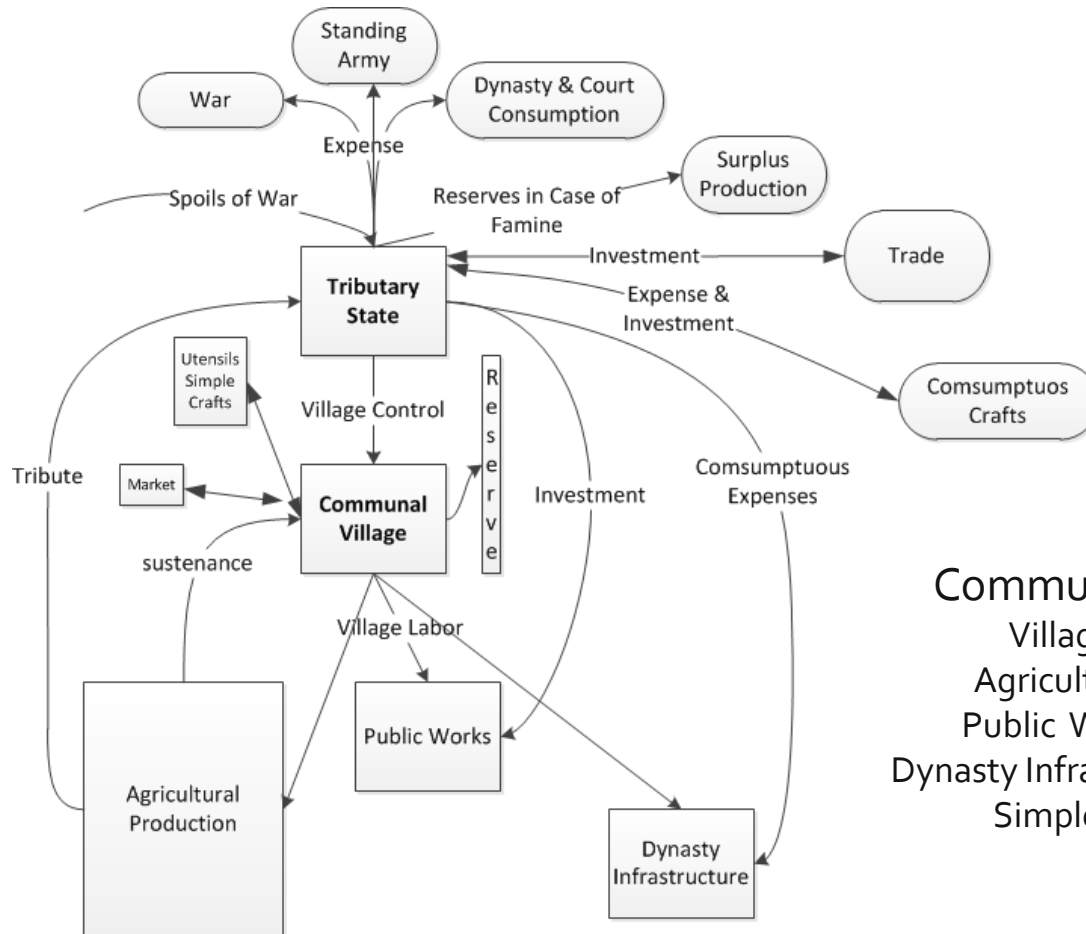
The Tributary State

- Had a highly centralized government with a relatively large parasitic bureaucracy.
- Found in North Africa, Middle East, Asia, Mesoamerica, and parts of South America.
- A state whose primary economic activity was based upon large public works projects, including dynasty and religious infrastructures (aqueducts and Machu Picchu in Peru, pyramids of Egypt and Mesoamerica, the Great Wall of China).
- Primitive agricultural production.
- Supra-exploitation of its subjects and, in the case of the Mayas, the land.

The Tributary State

Tributary State

Dynasty
 Dynasty Court
 Functionaries
 Satraps
 Artisans
 Builders
 Traders/Merchants
 Servants
 Army



Communal Village
 Village Elders
 Agricultural Labor
 Public Works Labor
 Dynasty Infrastructure Labor
 Simple Artisans

The Tutelary State

- The Tributary State collapsed when confronted with a more developed Europe.
- In most cases they had already reached a stage of decadence. In the ascendant stages the Dynasty was in expansion and the emperor was outward looking and a daring warrior. In the decline stage the Dynasty was in retreat and the emperor was inward looking and in many cases consumed in debauchery (harems-Ottoman Empire, sacrifices-Aztecs, etc.)
- In Latin America, the Tributary State continued under Spanish and Portuguese domination (Spain and Portugal had been under Muslim control for several hundred years and had remnants of Asian despotism).
- In the face of Capitalism, the Tributary State gradually degenerated into a Tutelary State.
- A Tutelary State is a mix of the remnants of the Tributary State with Capitalism.
- Its pseudo capitalist class (merchants, builders, traders, lenders, investors, etc.) are extrications (peels) from the tributary state.
- Its main source of grievance against the West is its continuing degeneration in the face of Capitalism, and Western economic domination and Western influence – often seen as an insult to national, ethnic, or religious pride (al-Qaida). The Tutelary State longs to return to a mystic past.

The Stagnant Tutelary State

(Key Characteristics)

- Ossified Socio-Economic Structure
 - Small upper class consisting primarily of merchants, rentists (investors who profit from renting land and housing (usually to the poor and at extravagant prices), State functionaries, profiteers and a tiny and weak number of Capitalists.
 - Economic stagnation manifested primarily by lack of capital investment, low wages and high unemployment.
 - A small or stagnating middle class.
 - Very little upward social or economic mobility.
 - Low investment in social services by the State.
 - Subsistence only marginally complemented by the State.
 - Citizens live with daily insults to dignity, arbitrariness, petty corruption and violence.
 - Examples: Afghanistan, Bolivia.

The Stagnant Tutelary State

(Key Characteristics)

■ Political Power

- Government and primarily Army conceive of themselves as the “protector of the nation,” thus Tutelary State. (Egypt)
- The nation is more important than the people and the people are “my people.” “The people” are more important than the individual.
- Relatively large and sometimes non-professional bureaucracy administers the State in the interest of the few. Promotion is by favoritism.
- Unfair and weak tax system.
- Legislation by rubber stamp assembly.
- Arbitrary enforcement of the law by police and courts.
- Government rules by fear and repression.
- Political systems that deny freedom of thought or expression.
- Governance often features ideological control and political repression.

Current Types of Tutelary States

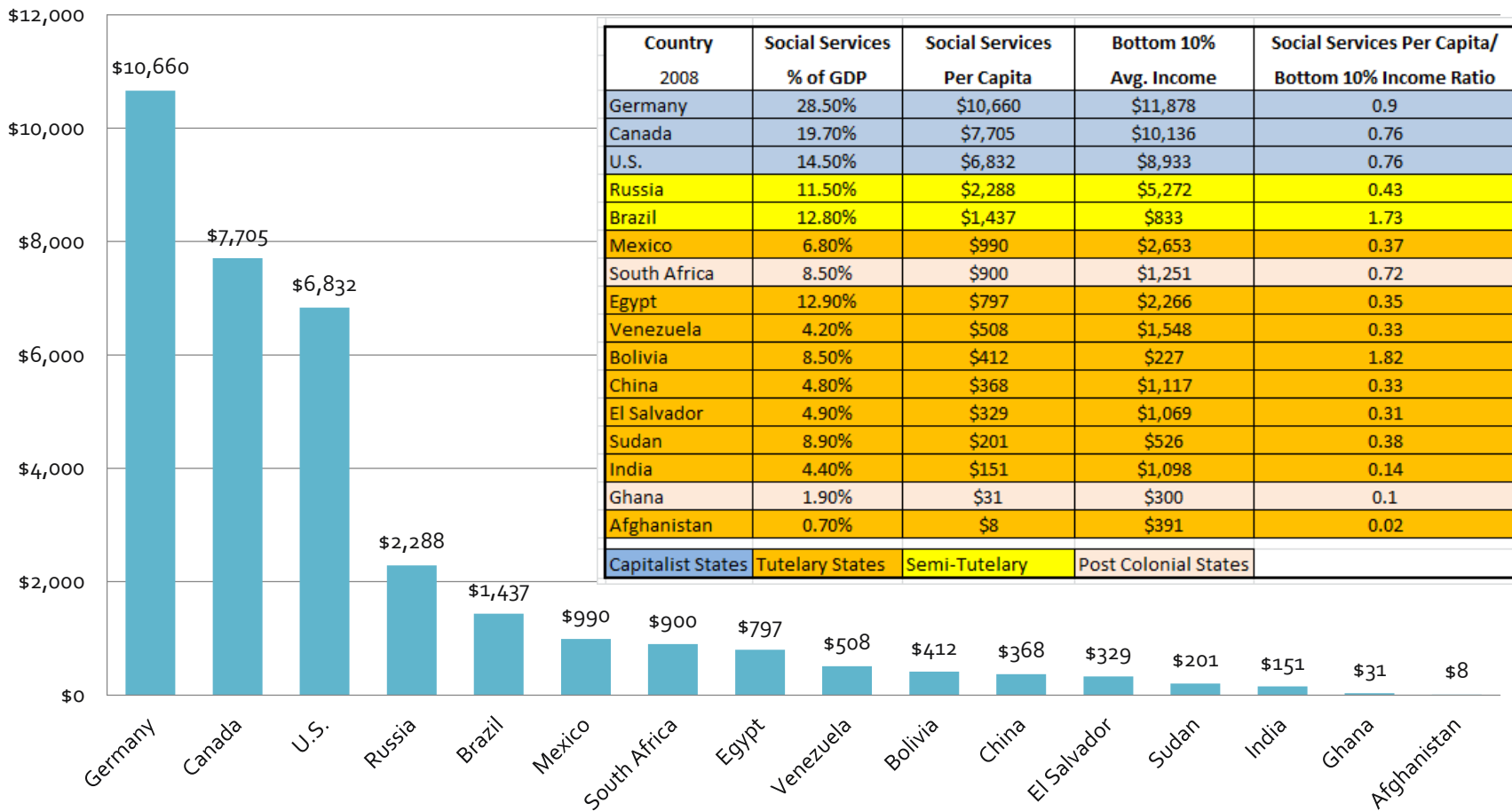
- A stagnant Tutelary State (Afghanistan and Bolivia)
- States in transition from stagnant Tutelary State to Tutelary/Capitalism (El Salvador, Egypt)
- Tutelary/Capitalism (China and India)
- Capitalism/Tutelary (Mexico, Turkey)
- Capitalism/Pseudo Tutelary (Russia, Brazil)

States in Transition

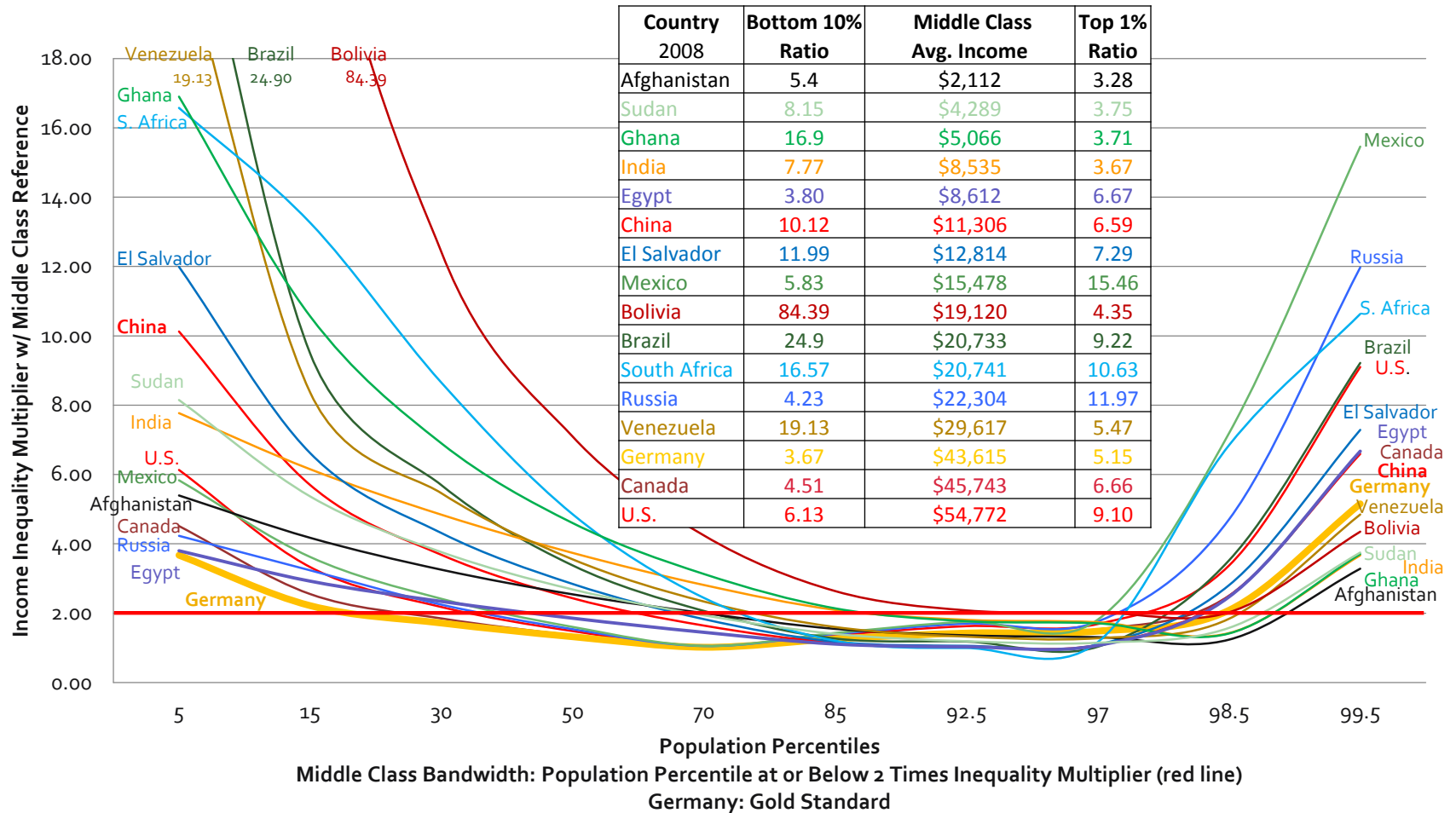
(Degenerated Tutelary States)

- **States in transition from stagnant Tutelary to Tutelary/Capitalism State**
 - Capitalism is dependent on the State. (partial corruption & partial historical becoming).
 - Very small Capitalist class is timid and risk-averse.
 - Unstable middle class.
 - Marginal State investment in social services.
 - Sustenance is marginally complemented by the State and is a political demand.
 - Example: El Salvador.
- **Tutelary/Capitalism State**
 - Capitalism is controlled through the State.
 - Very small Capitalist class linked to the State apparatus (not corruption but historical becoming).
 - Growing middle class.
 - Marginal investment in social services.
 - Sustenance is marginally complemented by the State.
 - Example: China.
- **Capitalism/Tutelary State**
 - Capitalism depends on favors from the state (partial corruption & partial historical becoming).
 - Emerging entrepreneurial Capitalist class.
 - Growing middle class.
 - Moderate investment in social services.
 - Sustenance is supplemented by the State.
 - Example: Mexico.
- **Capitalism/Pseudo Tutelary State**
 - Similar to Capitalism/Tutelary, difference is the degree in which they differ in capital accumulation and rate of growth of middle class.
 - Example: Russia.

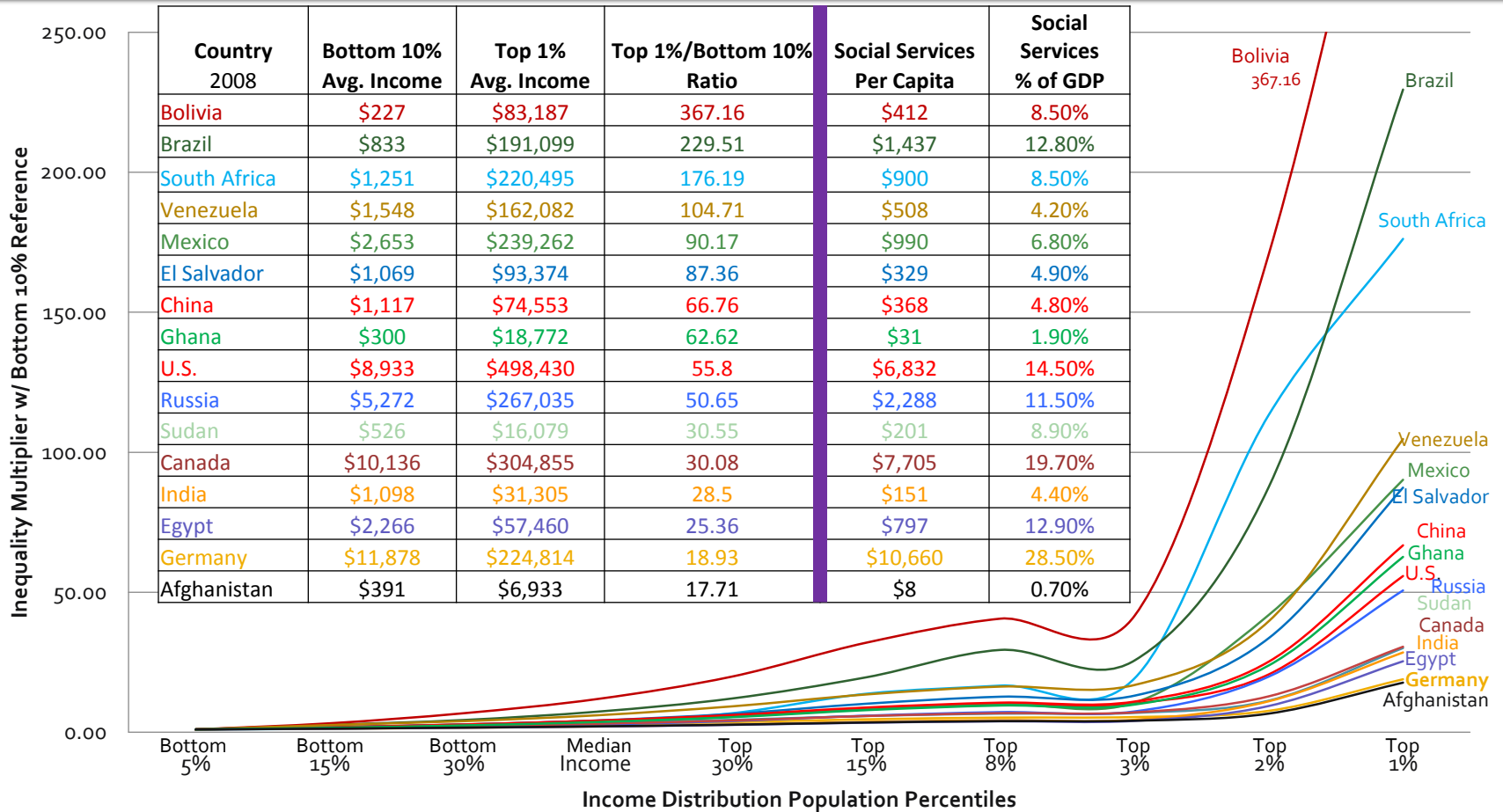
Per Capita Social Services Expenditure



Middle Class Bandwidth



Real Income Inequality Curve



Roots of Instability

What is Instability?

- A socio-political-economic-military situation leaning toward the collapse of the established order with outcomes that threaten U.S. national security, and economic and political interests:
 - A government that does not govern or is under threat of collapsing or being overthrown
 - An economy that does not function
 - A social order in chaos or in confrontation
 - A military in disarray or incapable of performing its commitment

Stability Bandwidth and Thresholds

Sustaining Fluctuations

- Nations, countries, societies, regions, etc. have **stability bandwidths** and **thresholds** that determine their capacity to sustain fluctuations in the socio-economic-political conditions without degenerating into a crisis. This bandwidth and threshold is a measure of the nation's capitalist and democratic development. The bandwidth is fundamentally determined by the economy, the thresholds by the socio-political framework .
- **Stagnant societies** tend to have **narrow bandwidths** and **high thresholds** that allow them to subsist in a "***stability of misery***" (e.g., Afghanistan) and repression. However, when the threshold is passed, usually due to outside intervention or influences of the capitalist market, it becomes impossibly difficult for the State to return to its previous stable situation.
- Creating a new stability plateau is extremely difficult and is the crux of stability operations in perturbed/degenerated stagnant societies.
- Perturbations that can upset stagnant societies are foreign intervention and a distorted introduction into the capitalist market. In Afghanistan – England, Russia and the U.S. have upset the "stability threshold."

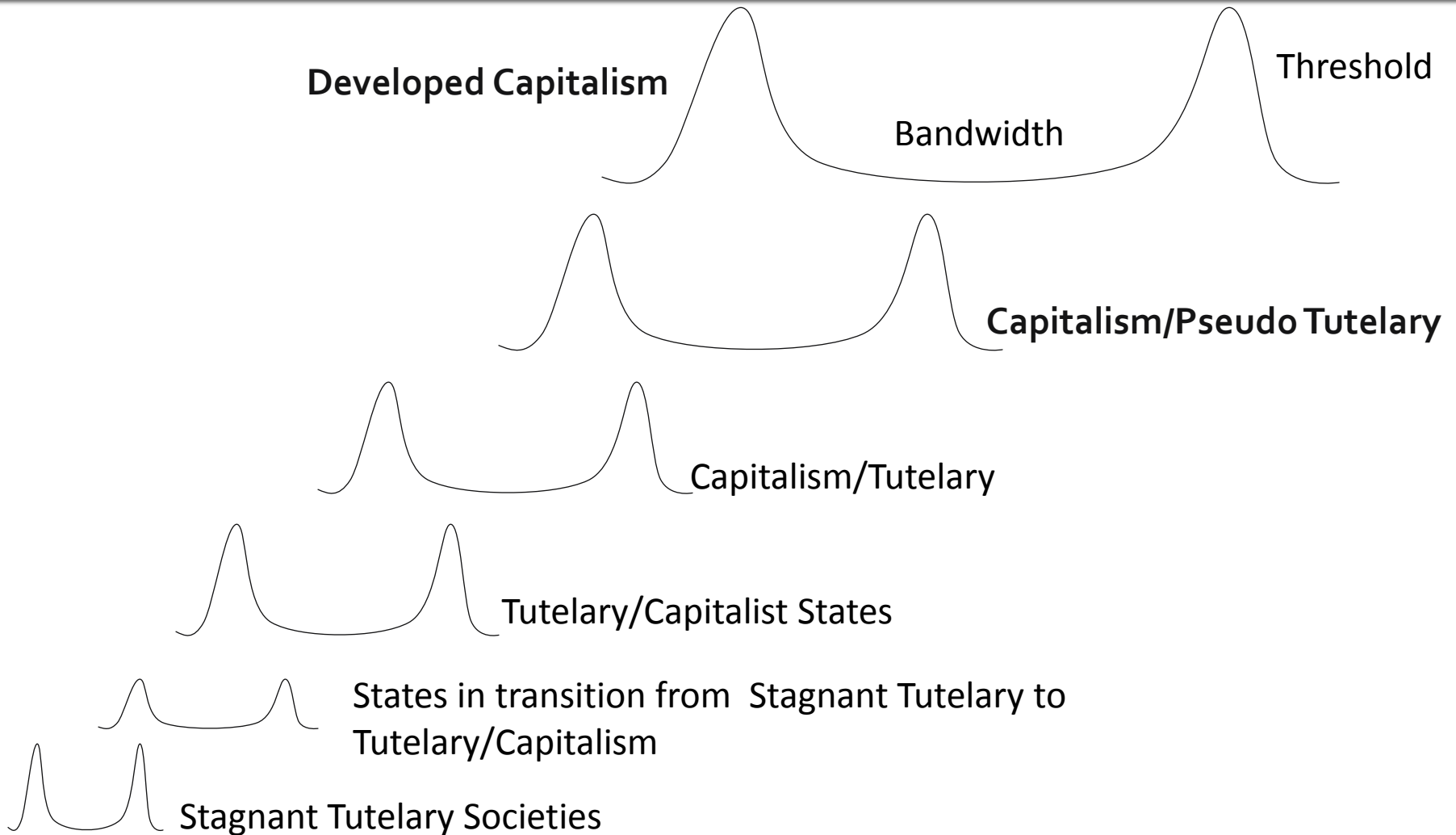
Stability Classifications

- **Stagnant Tutelary Societies:** stability is based on a predictable “future of misery” -- things will continue as always due to rigid and ossified stratifications of the socio-political-economic order. Repression can be cruel.
- **States in transition from Stagnant Tutelary to Tutelary/Capitalism** have strong roots of stagnation and distorted capitalist development and totter between stagnation (backward pull) and capitalism (forward intention), creating an extremely unstable state (El Salvador, Philippines). Stability is only achieved through repression.
- **Tutelary/Capitalist States** have broader bandwidths due to measured expectations of economic opportunities among the citizens, and high thresholds due primarily to ideological repression (China) or generalized acceptance of social injustice (India).
- When economic expectations are frustrated, the country tends to become unstable and may lead into politico-military conflict (backward linkage effect) or inter-religious or ethnic violence (India).
- Often have have privileged regions (China) or sectors (India) of the society. There exists a combined and unequal socio-economic development: A small highly capitalist sector and a large majority left behind in miserable conditions (India and China).
- Often, Tutelary/Capitalist States have overcome the most dangerous roots of stagnation.
- Stability is based on an expectation that the future will be better within a context of ideological control and measured repression, and the expectation that stable socio, political and economic conditions will prevail with eventual upward economic mobility.

Stability Classifications

- **Capitalism/Tutelary.** Have eliminated most remnants of stagnation and have reached middle class status (e.g., Mexico & Turkey). Broad bandwidths and medium-high thresholds.
- Stability is based on continuous economic development and integration in the global economy.
- In Mexico, barriers to middle class entrance has created alternate methods of “upward mobility” outside the formal economy, these include drug trafficking and illegal activities.
- **Capitalism/Pseudo Tutelary.** Capitalist developing countries with a blend of Asiatic despotism (Brazil and Russia). Broad bandwidths and medium high thresholds.
- Late entry into capitalism have created a voracious upper class (Oligarchs).
- In the case of Brazil inequality is extreme.
- In Russia inequality is attenuated due to its socialist past. The super rich class remains very small.
- **Developed capitalist societies** have broad bandwidths and high thresholds. Source of stability is a cohesive concept of the nation based on framework (constitution) that guarantees equality before the law; an economy that predicts a rising affluence and a society with upward mobility based on individual gifts, education, willingness to risk, and perseverance.

Stability Bandwidths & Thresholds



Dealing with Instability Conjectures

- Instability can be:
 - Ignored, if it does not affect U.S. directly.
 - Prevented by addressing, pre-conjuncture*, the latent root causes.
 - Dissolved via negotiations and palliative measures.
 - Resolved by eliminating the triggers of the instability conjuncture – normally through measured prevention with strong palliatives.
 - Exacerbated by taking the brute approach.

* Defining combination of events and circumstances that trigger instability.

Latent Root Causes of Instability

- An economic stagnation manifested primarily by lack of capital investment, low wages, and high unemployment.
- Lack of social mobility and frustrated rising expectations manifested primarily by lack of educated youth employment.
- Political system that does not allow for freedom of thought and expression and rules by repression.
- Prolonged occupation by a foreign army that becomes, or can be exploited as, an insult to national, ethnic or religious pride
- Daily insult to human dignity, arbitrariness, petty corruption and violence.
- These situations are ripe for social and political conjunctures that may lead into popular unrest where the citizens refuse to live in despair and cry out for change that leads to stability.

Manifestations of Instability

- Social instability:
 - Viral class antagonism.
 - Ethnic or religious confrontation or violence.
 - Uncontrolled crime (organized cartels and/or gangs).
- Political Instability:
 - Uninterrupted popular unrest (mass demonstrations).
 - Generalized labor unrest and economic sabotage.
 - Extreme antagonistic positions between/within branches of government and political parties.
 - Government incapable of performing its commitment.
- Economic Instability:
 - Rampant inflation.
 - High unemployment with unforeseeable resolution.
 - Lack of investment capital.
 - Capital flight.
- Military instability:
 - A military worn-out by war or incapable of functioning as a disciplined force.

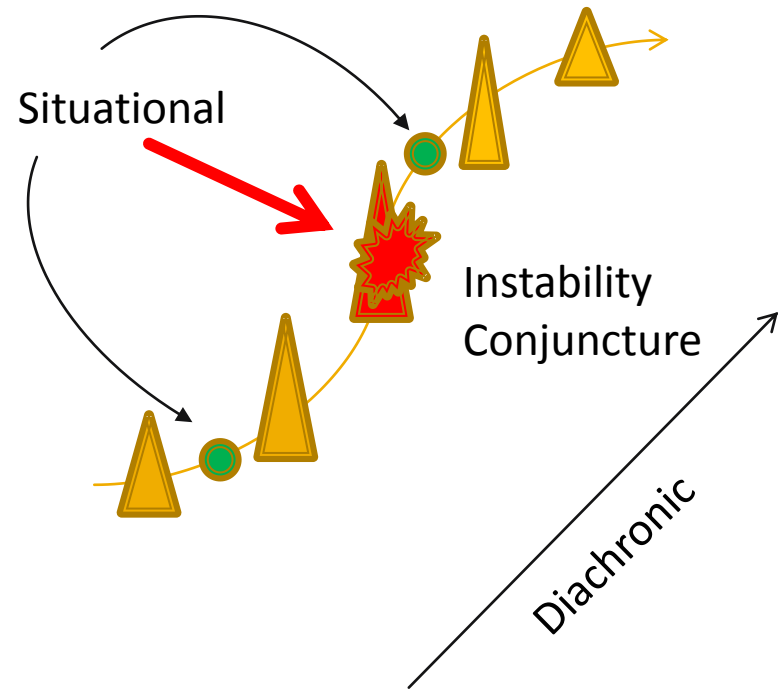
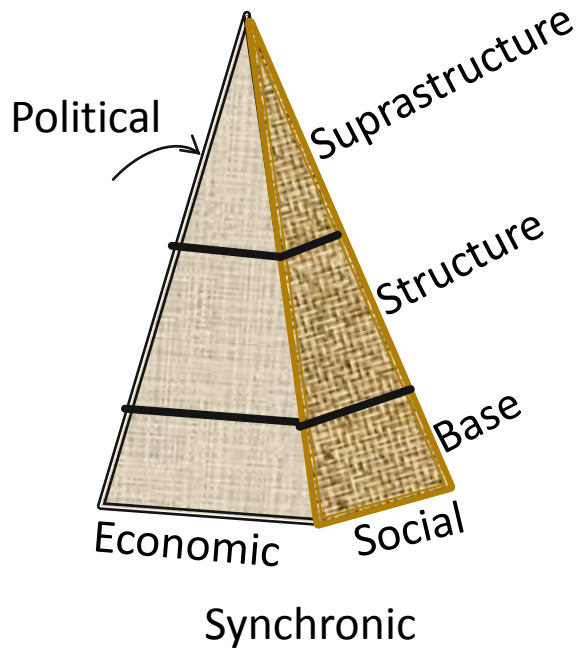
Sustained Instability

- Sustained instability requires the existence of an organized cadre committed to maintain it and subvert the established order (e.g., Taliban).
- The existence of a social base determined to risk everything in support of those confronting the present order.
- Established order incapable of defeating or integrating the insurgency and or opposition into the government and political process.

Instability Assessment: Method

- **Bandwidth and Threshold Analysis**
- **Synchronic:** Study of the basic structural characteristic of an entity (country, society, network) at a given epoch without laboring on its historical becoming.
- **Diachronic:** Study of the historical becoming (origin, development, stabilizations, evolution and transformation) of an entity.
- **Situational:** (“in situ”) Study of event(s) at a particular space-time of an entity.
- **Situational Conjecture:** Study of the defining components of a historical watershed that will impact the trend and/or the structure of an entity.
- **Totality:** Study of the articulation of the synchronic, diachronic, conjecture and situational analysis of the entity and the positive and negative exogenous & indigenous forces acting on the entity.
- **Bandwidth and Threshold Synthesis**
- **Synchronic:** Comprehension of the defining structural components, composition and totality of the structural essence of an entity.
- **Diachronic:** Visualization of the historical tendency (trend) of an entity (where is it leading to).
- **Situational Evolving:** Intuitive action/reaction to seize a particular space-time to one’s advantage.
- **Situational Conjecture:** Insight of what is to be done to precipitate or thwart a historical threshold.
- **Totality:** The integration of the synchronic, diachronic, conjecture and situational synthesis into a higher level of abstraction that leads into the total assimilation and appropriation of the historical moment in a given space.

Method



Fundamental Questions to Understanding Tutelary States

- What are the suprastructure (ideology), structure (institutions of power) and base (practice-how people exercise political rights) of politics in the particular Tutelary States and their evolution through space-time?
- What are the suprastructure (social and property relations), structure (relationships of commerce and production) and base (social division of labor and/or Tribal) of society in the particular Tutelary States and their evolution through space-time?
- What are the suprastructure (mode of production and market place), structure (technical division of labor) and base (industrial composition and organization of labor) of the economy in the particular Tutelary States and their evolution through space-time?
- In general, at the highest level of synthesis, and in all domains (political, social, and economic) dominance follows the hierarchy: suprastructure, structure, and the base of the society, respectively. However, in a particular conjuncture, the stability of the political suprastructure is the dominant factor.
- The synthesis of the tendency of the particular Tutelary State, coupled with the interpretation of the conjuncture, constitutes the crux for understanding instability situations and the crafting of effective responses.
- This methodology, which the author has previously applied to El Salvador, and which is currently the subject of further research, can be applied to other Tutelary States such as Afghanistan, Guatemala, Honduras, Syria, Burma, Kenya.

Recommendation: 1-Foster Stability Through Sustained Capitalist Development

- Condition investments on acceptance of the need to create the conditions for capitalism (capital entrepreneurial investment, culture of competition, transparency, etc.) (Chile, Singapore, South Korea). Local political will to enter into modern capitalism is fundamental for success.
- Prioritize the development and the strengthening of an entrepreneurial capitalist class.
 - Start by understanding the historical becoming of the nation in question (see previous slide: Fundamental Questions to Understand Tutelary States). While it is important to understand the country's culture, it is imperative to understand its roots, its political, social and economic structures, and their evolution and manifestations through time and especially during epochs of crisis.
 - Develop a country plan that is congruent with the country's historical becoming.
 - Refocus investments from social development and nation building to capital and capitalist formation.
 - All nation-building (social, security, military, education, health, judicial, political, etc.) investments should have a component of fostering entrepreneurship.

Recommendation: 1-Foster Stability Through Sustained Capitalist Development

- Marshal Technology for Development
 - Organize innovation centers.
 - Establish programs that foster the development of business startups.
 - Take advantage of the globalization of knowledge and technology.
 - Promote technology transfer programs from the U.S. to the recipient country and vice versa.
 - Fund university programs designed to meet the technological challenges of the 21st century.
 - Promote technology education at the secondary and trade school level.
 - Potential areas of technological development:
 - Health Technology
 - Education Technology
 - Information Technology (IT)
 - Materials and Critical Technologies
 - Agriculture Technification
 - Electronics Assembly Lines

Recommendation: 1-Foster Stability Through Sustained Capitalist Development (Cont.)

- Entrepreneurial Education Programs
 - Organize programs that teach the entrepreneurial capitalist processes.
 - Mentor startups in business processes and corporate management.
 - Mentor startups in the R&D process, risk-taking and cash flow management.
 - Mentor startups in flexible organizational structures.

Recommendation: 1-Foster Stability Through Sustained Capitalist Development (Cont.)

- Investment Programs
 - Provide access to investment angels for startups.
 - Organize local angel investors and venture capitalists.
 - Establish grant programs similar to U.S. SBIR and STTR.
 - Establish government-backed lines of credit for startups with local banks.

Recommendation: 1-Foster Stability Through Sustained Capitalist Development (Cont.)

- Procurement Opportunities for Startups
 - When supporting large projects (e.g., infrastructure or natural resource exploitation), guarantee that their implementation provides opportunities to new businesses (this means that capability is more important than past performance), and the outcome contributes to broader capitalist formation and promotes entrepreneurship.
- Promote foreign capitalist investment that fosters entrepreneurship and business development.

Recommendation: 1-Foster Stability Through Sustained Capitalist Development (Cont.)

- Engagement of Appropriate Social/Economic Sectors and Institutions
 - Engage those upper class sectors that have shown a true disposition towards capitalism.
 - Support the development of institutions necessary for capital and capitalist formation and accumulation. (The author is currently working on identifying those institutions and the level of maturity necessary to jump-start sustained capitalist development.)
 - When necessary, work with the organic “pseudo-capitalist” sector without forgetting its roots. (See Slide 9 for definition of “pseudo-capitalist” sector.)

Recommendation: 2-Foster Stability Through Democratic Development

- Craft a *transition strategy* that evolves the country from a closed suprastructure to a meritocratic suprastructure, key initiatives include:
 - Strengthen the government by curtailing its unlimited power.
 - *Transition* from a weak tax system to a strong and fair tax system.
 - *Transition* from arbitrary rule towards a rule of justice and law.
 - *Transition* from a government for the few to a representative democracy.
 - *Transition* towards a compulsory educational system
 - *Transition* to equal quality of education and develop programs for gifted children.

Recommendation: 3-Foster Stability Through Government Cleansing

- Cleanse the military, police and judicial system of corrupt officials and human rights violators.
- Promote programs that foster transparency in government.
- Marginalize corrupt politicians that favor narrow interest.
- Promote the development of a professional government workforce.

Curve Generation Methodology & Bibliography

Curve Generation Methodology

"Real Income Inequality Curve": The lowest ten percent was used as a base to normalize the data showing each income class compared to poorest ten percent of the population.

Figures all in 2008 terms for GDP (PPP) in current U.S dollars, total population, and income distribution obtained from:

- World Bank dataBank: World Development Indicators.
- Income Distribution sourced by the Luxembourg Income Study, which analyses household survey data from around the world.

The figures were provided broken down into ten and twenty percent segments of the population within a country, each expressing the percent of total of income within each segment of the population. The provided data needed to be broken down further for a more detailed and illustrative view of the of the income distribution, this was done by a series of mathematical processes to obtain and forecast the distributions down to greater detail. Each percentage was then applied to the total 2008 population as well as the 2008 GDP.

"Middle Class Bandwidth": used the same figures obtained for the Real Income Curve but instead normalized the figures against an average of an individually determined segment of the population to be considered its "middle class".

"Per Capita Social Services Expenditure": Using the broader definition of social services to include all public assistance programs, as well as, education and health expenditure.

- Data obtained on social protection sourced from the Global Extension of Social Security and UNICEF.
- Applied to the 2008 figures of GDP (PPP) in current U.S. dollars, and total population obtained from the World Bank dataBank: World Development Indicators.

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