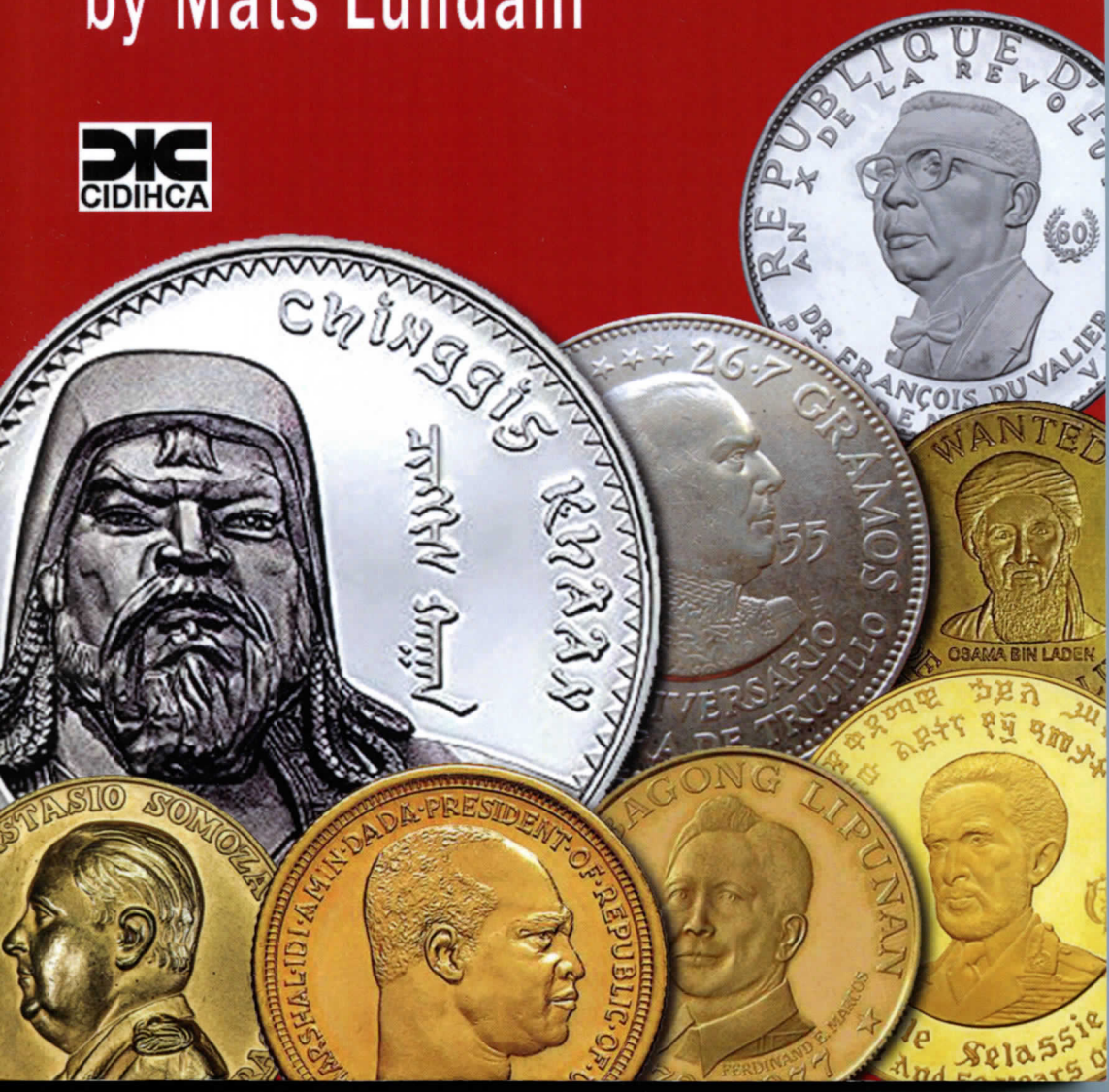


PREDATORS

and **TERRORISTS**

ESSAYS IN ECONOMIC PATHOLOGY

by Mats Lundahl



The present book deals with two types of illegal behavior widely practiced in a variety of historical and geographic settings: predation by power holders on the population at large and terrorism directed both towards citizens of foreign nations and towards the own population. Many rulers throughout history have been concerned above all with their own welfare and standard of living, while their interest in how the population at large fares has been minimal. They, and the people next to them – their ministers, leading bureaucrats and militaries – live in fabulous wealth, while in the worst case the population is starving. The state has degenerated into a predatory state, run by kleptocrats.

The second type of illegal or deviant behavior dealt with here is terrorism – as employed in three different contexts: as an ingredient in warfare, as an instrument for predatory rulers to extort revenue from the population and as used by contemporary extremist religious movements. Exactly like the predatory state, terrorism has a long and geographically diversified history. It has been used regularly during wars and conquests, but also by political underdogs who do not stand any chance to threaten their political or religious adversaries by other means.

The book provides numerous examples of predators and terrorists and analyses the economic logic behind the behavior of both, with the aid of simple economic theory. It also provides an empirical account of the different methods used by kleptocrats and terrorists to achieve their goals, the consequences for society at large and the possible mechanisms of change.



MATS LUNDAHL is Professor emeritus of Development Economics at the Stockholm School of Economics. He is the author of nine books on Haiti.



ISBN: 978-2-89454-370-2

CIDIHCA Publisher

MATS LUNDAHL

Predators and Terrorists: Essays in Economic Pathology

ISBN: 978-2-89454-370-2

Design and layout: MANUEL SALGADO

Editor: FRANTZ VOLTAIRE

Legal deposit: fourth trimester 2019
Bibliothèque et Archives nationales du Québec
Library and Archives Canada

Les Éditions du CIDIHCA
430, rue Sainte-Hélène, bureau 401
Montréal QC
H2Y 2K7 Canada

Phone: 514-845-0880
E-mail: cidihca@yahoo.com
Web: www.cidihca.com

© Mats Lundahl and CIDIHCA, 2019

TABLE OF CONTENTS

Preface	9
Chapter 1	
Predators and Terrorists: An Introduction	11
Chapter 2	
The State as an Interest Group: The Political Economy of Wielding Power	25
Chapter 3	
The Economics of Kleptocracy: Some Reflections on Underdevelopment and the Predatory State	63
Chapter 4	
Inside the Predatory State: The Rationale, Methods and Economic Consequences of Kleptocratic Regimes	101
Chapter 5	
Politically Unsustainable Economic Development: The Case of the Predatory State	141
Chapter 6	
The Political Economy of the Coup d'État	209

Chapter 7

Terrorism and Income Maximization, Old and New: Two Cases	227
--	-----

Chapter 8

Among the Believers: The Emerging Threat to Global Society	255
---	-----