

# \* Lincoln's Second Inaugural Address (Relevant selected)

" And the WAR came. 844 of the whole population were slaves but distributed generally over the union but localized in the Southern part of it. —

Neither anticipated that the cause of the conflict might cease with or before the conflict itself should cease

The prayers of both could not be answered - that of South could not be fully answered. Woe unto the world because of them

# I. Concepts

A Lincoln And The  
Second Inaugural

1 anti-slavery-religious  
politics

2. Abolition-political  
religion

B. The Essential

Distinction

1 religious politics-

The application of religious  
beliefs and morality to  
political choices (abolition)

2. Political Religion-

Mobilization of Faith

(Whole Religion) & institution  
of Faith For a transformative power



B.2a Solidarity - 1985

C. Religious Entrepreneurs

D. Quasi-Competitive Markets

Fa. Faith (Market Model)

1. Contrast - State vs. religious  
Establishments

2. U.S. vs. Europe

a. The First Amendment

E. Faith & Social Organization

1. The Family

F. Economic Behavior

1. The Causal

Effect of Religion

on Economic Behavior

& Economic Development

I. Analytic Map of Faith  
(The Monothelists, Judaism,  
Christianity, Islam)

A The Sacred

1. Divinity - God
2. Salvation - Possible but contingent on human effort

B Humanity

1. Created, but flawed, imperfect and perishable

C. Bridge (Between God and Humanity)

1. Prayer
2. sacrifice
3. morality

D. Law

1. Sacred and secular
2. necessary regulations



## E. Economy

1. work as command
2. wealth as valid
3. success as value but potential corruption

## F. Politics

1. the necessity of a rule - Authority possible
2. Democracy, Kingship as valid

## G. Society

1. The Holy Family
2. cooperation as value

## H. WAR AND Peace

1. Defensive WAR

I. The Substantive Model  
Europe - 1500 - 1900's - 2000's  
A State Church (Established)  
By Law as Monopoly Provider  
of Religious Truth

1 Other Faiths May Be  
Granted Conditional Toleration  
As Privilege

a. In Britain 1689 - 1832.

(Jews, Dissenters From  
Anglican/State Church)

B. Benefits

- 1 Guaranteed Income, Property
2. Control of Public Morality
3. Support From State Power
4. Control of Education

C. Costs - 1 Association with

unpopular governments & limited Autonomy

3. No Competition & Favorable



## #. The American Model

- Supportive Separation

(The First Amendment -

No Establishment, No Restrictions

A. No State Church

B. Costs

1. No Guaranteed  
Resource Base

2. No Control of

Orthodoxy - The  
Argument Between  
Evangelicals And  
Pentecostals

C. Benefits

1. Incentives For Competitive  
Innovation, Adaptation (Modernity)

2. Constant Renewal of Faith

I, From Religious Politics To  
Political Religion - Reverend,  
Doct. Martin Luther King Jr And  
Civ. Rights (1929-1968)

A. Background - Legally  
Enforceable Segregation (Jim  
Crow)

B Costs to African Americans  
1. Exclusionary Status Degradation  
2. Limited Opportunity Structure

C. Benefits

1. Incentive To Create  
Alternative Institutions  
a. "De Negro Legis"

D Costs To Whites

1. Reputation (Bad)

2. Opportunity Costs - Lost  
Investment By Natural Capitalists

3. Enforcement Costs



## E. Benefits to Whites

1. Ensured Status
2. Labor Market Dominance
3. National/Political Power - The Solid South - No Democratic Legislation Etc. (e.g. New Deal) Can Pass without Southern votes

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Whites South Conservatives  
(Pivot/Votes)

## F. Strategies For Ending Jim Crow

1. Local Direct Action
  - a. Benefit - Commit whole Community Resources To Organized Change
  - b. Costs (e.g. Time/Slowness, Uneven Coverage, Uneven Effects)

2. Nationalization of Federal  
Government Legislation  
(Civil/Anti-Voting Rights Acts  
(1963-65)

a. Costs - Fickle Public Opinion,  
Changing Agenda (Vietnam)  
Depends On Local Approval  
And Enforcement

b. Benefits - National Coverage,  
Federal Power (Little Rock);  
National Opinion Power  
Dr King Draws on Both  
Strategies

Dr. King (Real Name Is  
Michael - Reverend Father  
Chooses To Make Luther  
A College Educator, Middle  
Class Family; Aspiration To  
Have A National Voice - But  
Did Not Choose To Be A Leader.



III. King And Montgomery  
A. King's First Ministry  
Is Montgomery. A City  
Charged With Racial Tension  
1. The Bus Boycott - Rosa  
Parkes (Caesar - to Carver)  
B. King Is "Selected" by  
Local Black Churches To  
Lead The Boycott - Why?  
1. Articulate - Great Orator  
2. Managerial/Efficiency  
(Saves A Baptist Church)  
3. Embodies American  
Values (Liberty, Equality,  
Personal Responsibility)  
4. Rejection of Paternalism  
And The Welfare State  
5. Civil Rights As Political Religion

I. William Jennings Bryan (1860  
1926) - Religious Politics And  
The Modern Democratic Party

A. The Cross of Gold Speech  
(1896 - Presidential Candidate,  
1896; 1900, 1908)

1. The Argument - The Gold  
Standard & the Promise of  
America - The Republic of  
Self-Sufficiency - The Economy  
of the Middle Class & Small  
Producers

2. The System of Exclusive  
Credit, Symbolized by the  
Gold Standard

a. Monetization of Silver &  
Fiat Currency - Rejuvenation  
of Economic & Political  
Opportunity -

3. Bryan's Reform Agenda  
Realigns the Democratic  
Party From A Coalition of  
Urban Machines and the  
Solid South To A Middle  
Class Reform Party. The Agenda:

- a. Women's Suffrage
- b. Regulation of R.R. roads,  
Finance - Labor Rights
- c. Temperance / Prohibition

4. The "Muller Trial" and  
Bryan's Presence +  
Critique of Social  
Darwinism and Eugenics

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5. The Great Campaign

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# I. The Economics of Faith - The Faith Economy

A Key Question: The Causal  
Consequences of religious beliefs for  
economic behavior:

1. Consumption
2. Market efficiency
3. Economic Institutions
4. Judaism, Christianity, Islam  
(Case Data)

## B. Incentives & Rules -

1. Prohibitions
2. Permissions
3. Commands
4. Examples
  - a. Prohibition of Impure Food  
and Corrupt Behavior
  - b. Permissions - Accumulation  
of wealth
  - c. Commands - Work and Economic  
Discipline

## C. Consumption -

1 Regulatory Role of Faith  
The Trade-off of Consumption  
And Investment

a. The Injunction Not To  
Waste (So Save Preferred)

2 Market Efficiency -  
Validation/Rejection  
of the Market

a. Monetarism As  
Market Accepting

3. Economic Institutions

a. rules of religion

b. Sharia - by Imam

c. Faith Based Trust Networks

And Group Efficiency



I. Law And The Sacred - The Law  
of Faith (Case data: Monothism,  
particularly Sharia (Islam) • A  
Living Law

A Law - A system of Conflict  
Management And Resolution

B sources - sacred/secular, core  
values of Justice, Morality, Crime

C. Sharia As A Comprehensive  
System of Rules And Values That  
Provide The Institutional Basis

F. A Flourishing Muslim Lite

1. Sharia Shapes Legal Codes

And Legal Codes In All

Muslim Majority Societies

2. In Some Cases (Iran,  
Saudi Arabia) Sharia Is The Law.

3. In Most Cases, Sharia Shapes  
Constitutional Goals (An Islamic  
Society) And Specific Rules  
(Like Family Law)



## II, Sharia

### A. The Sources of Sharia -

1. Quran
2. Sunna and Hadiths - (Sayings And Actions of the Prophet)
3. Schools of Islamic Law
4. Custom (limited)
5. Rulings of Qualified Religious Legal Experts, typically clerics of regional, international / fame (Yusef Al-Qaradawi) and the Internet.
  - a. Rulings are given as opinions in specific cases - Enforcements depends on the state or the parties to a case
6. Self-Help And Sharia - The Primary Mode of Enforcement

7. Claims of God (Criminal And Civil) That Affect The Community of Muslims

8. Claims of Man - Murder, Manslaughter - Resolved Either Through Self-Help or Delejalat to the State  
a Blood Money

9. Most Sharia Is Civil Law - inheritance, Family Law, Divorce, Property, Endowments for Religious Purposes

5. No novel rules - new cases decided through analogy

16. Sharia And Riba (Interest/Usury)  
- Islamic Financial Institutions And Legal Creativity - Tawarruq And Investment.



# I. WAR And Peace - Holy WAR, Holy Peace

A. The Monothent, Buddhist-  
Hindu Revolution

1. The Rejection of  
WAR As Normal And Morally  
Desirable - Peace As  
Normal (Statistically) And  
Normative

B. Just WAR Theory -

1. Defensive (for the  
State, Nation, or Faith)

2. The Possibility of  
Holy WAR

C. The Regulation of Battle

D. Modern WAR Theory Is  
Religious At Its Root



I. Billy Graham - 1918-2018 -  
"America's Archbishop"

A Graham - Role - As  
Religious Entrepreneur -  
B. Reinvigorates Evangelical  
Christianity Through A Creative  
Adaptation To A Mass Media  
Society And A Creative  
Adaptation To American  
Religious Pluralism And  
Competition.

1 The Televangelical  
Revival

C. Reshapes Evangelical Christianity  
As The Mainstream Medium of  
American Protestantism

D. Motto - Without God There  
Is No Hope

Handwritten text in a cursive script, likely a letter or document. The text is extremely faint and illegible due to the quality of the scan. It appears to be organized into several paragraphs, with some lines starting with capital letters. The ink is dark but very light against the white background.



I. The Sovereign or  
Surrender Paradox - How  
Did Power Poor Territorial  
Rulers Become Power Rich  
Monopolists.

A. The Fundamental Contrast

1. Territorial Rulers (like  
Kings In 900 - Power  
Is Constrained By  
Multiple Potentially Competitive  
Forms of Institutional Rule

a. Villages and Towns

b. Churches

c. Aristocracies

2. Territorial Rulers

Competitive Advantage -  
The Ability To Create New Forms  
of Law and Order In Response  
To Commercial And Urban Growth



B. Territorial Rules Exchange  
Efficient Legal Rights And  
Privileges For Enhanced  
Taxation, Labor, Control of  
Key Institutional Areas  
of the Rules' Monopoly  
Strategies

a. Transfer of Clouté  
(Example - Rules Produce More  
Efficient Contracts And  
Property Rights Than Competing

b. Tacca - a - ha - Cities  
Villages, etc Become Bureaucratic  
Agents of the Rule -

c. Buying Out - Powerful  
Rivals like Aristocrats  
Receive Land or Stocks  
Privileges (Mobility) In  
Exchange For Allegiance

d. Coercion Is The  
Default Not First Option



## II. The Solution To The Paradox

A. Rules Are More Efficient Producers of Benefits, particularly New Institutions, than their Competitors,

1 Example - Courts And Law

B. Better And Stronger Failure (Falsification)

1 Rules Provide Fewer New Benefits But Escalate Resource

Demands - Governmental Rebellion, State Collapse

2. Rusted Pipes And  
Make The Collapse



# I. The Paradox of Constitutional Persistence (1500-1700)

## A. The Fate of the Estates

1. Early Bargaining Institutions Between Rulers And Key Subject Groups (Proto-Parliaments, legislatures)

### a. The Classic Three

Estates: clergy, nobility, "Third" (towns, merchants)

## B. The Paradox - How Did The Estates Survive (Persist)

In some cases but not other cases, given the rulers' interests in Maximizing Power By Eliminating the Estates and no correlation between levels of economic development and estates persistence/non-persistence.



C. Solution If  $\neq$   
use of coercion by rulers  
does not explain outcomes  
the best explanation is  
institutions, where the estates  
rules & procedures permitted  
stable bargains between  
rulers & estates that would  
maximize rulers' revenue & taxes  
& guarantee estates survival,  
mutually beneficial bargains  
were struck, where this  
condition did not exist,  
the estates disappeared  
or were subordinated to  
the ruler as bureaucratic  
agents responsible for  
tax collection & payments



D. The Institutional Explanation

1. Estates Cohesion  
(collective action capacity  
created by procedural rules)

2. Bargaining Costs - How  
costly is it for rulers to  
bargain with estates?

	Low Bargaining Costs	High
Estates Cohesion High	A Britain	B. Poland
Low	C. Russia	D. France

A. Recontracting

B. Capitulation

C. Liquidation

D. Circumvention

## E. Rules Rational/Strategies For Building Power Monopolies

1. Create Minimum  
Winning Coalitions like  
with towns, villages

2. Transfer Clientel

3. Incorporation

4. Buying Out

5. Coercive AS

Default Option

## F. Public Goods, Private Goods, Joint Products

(Both Quasi-Public and Private  
Characteristics)

1. Public Goods - Indivisibility  
Non-Excludability - clean  
air, national Defense



2. Private Goods-

Pure Divisibility (Any  
Marketed Goods, Services)

3. Joint Products-

Public Good with Variable  
Consumption Demand)

a. Health Care

I. Summary

A. Rules are By Offering  
Better Benefits To Subject  
Groups than Non-Competitors

↳ Particularly Efficient  
Legal Rules

B. Made Possible By xE  
Capacity of Rules To

Institutionally Incentive

For Where Structures & Thus  
Meet Systems Demands for Change

# The Classic One-Shot Prisoner's Dilemma

	cooperate	Defect
cooperate	3, 3	1, 4
Defect	4, 1	(2, 2)

4 7 5 7 7 1 1

2, 2 = Outcome

Defect = Best Strategy

(can't get you - worst)  
might get you - best

## Applications

1. Bargaining (Ruled Estate)
  2. Coordination - inter-district
- P.D. why villages, towns are not a state - a state.



# \* The Comparative Advantages of $\pm$ King (territorial rulers)

A. In contrast to other potential competitors for power, territorial rulers could enact novel rules that were enforceable in the ruler's courts, large-scale, and subject to change to meet societal demand. (courts were key)

B. Only territorial rulers could back this with societal/political and military power (defense)

C. Bargaining and cooperation was therefore the ruler's rational strategy

\* Villages, towns, aristocracies

# The Sovereign Paradox (State-Building) The Dynamic of Change (Causal Mechanism)

## I. Institutional Change

Is Driven By the Rulers  
Increasing Demands For  
Resources (Taxes & Compliance  
And the Demands of Society  
For More Efficient Legal  
And Security Institutions  
II. Consequence-Motally

Beneficial Bargains (Gains  
From Trade) (Rules of Rule)

## III. Outcomes: Monopoly State Monopolies et

A. Crime B. Law C. Decision  
Making (Society's) (Enforcement)



# I, Democracy And The Paradox of Democratic Divergence (Exuberance)

A. The Paradox - Similar Levels  
of Support For Democracy  
Generate Divergent Outcomes  
(Stable And Unstable Democracies)

B. Democracy - The Democratic  
Minimum

1. Regime of Competitive  
Alternating Elites
2. Electoral Mechanism  
(Elections Determine Outcomes)
3. Enforceable Political Rights
4. Rule of Law - Principle of  
Jachica (The Problem of Universal  
Coverage (Age, Gender, Citizenship))
  - a. 50% or the 50% Rule
5. The Problem of Corruption



C. Context. The Search For  
The Control of State Power

a. The Modern Monopoly  
State - Code, Law, Decision  
Making, Enforceability, Definition  
of Citizenship, Redistribution

D. The Problem of Anti-Democratic  
Coalitions

1. The Logic of Winners And  
Losers

2. Benefits Counterbalanced  
by Costs

3. Linchpin And Redistribution

E. Outcomes - Polarization  
And Democratic Instability  
OR Stable Pro-Democracy

Burgess

F. Incremental Or Discontinuous  
Democratization (Britain 1832-1928 France 1848-1870)



# I. The Logic of Democratization 1790's - 2000's - The Western Path

A. Democracy Requires The  
Democratization of the State

B. Two Critical Components

1. Demand - Mass Demand  
For Democracy

2. Supply - Supply of Stable  
Democratic Institutions

## II. Demand Function

A. Universal Demand -  
Regulatory Control of  
State Power - Access And  
Accountability (End of  
Arbitrary Rule)

B. Case Specific Demands

1. Linkage - Link Between  
Concrete Interests And Democracy -  
No Universal/Ideal Demands



### III. Linkeje - Concrete Demands For Democracy - The Mechanism of Democratization - The European Experience - Demands For

A. Efficient and Accessible  
Law and Legal Institutions

1. Economic Efficiency  
(Contracts and Property Rights)

2. Legal Equality

3. End of Aristocratic Privilege

4. Democratization of Property  
Rights

B. Efficient Code - National  
Security and Personal Security  
(Demand For Policing)

C. Regulation and Redistribution

1. Regulation of Markets

2. Redistribution of Property

D. Minority Rights (Religious  
Rights In Particular)



## III. The Problem of Anti-Democracy

### A. Democratization

Creates Opposition To  
Democracy Because of Its  
Social / Economic Consequences  
For Key Groups.

Linkage - The Greater The  
Intensity of Linkage Between  
Democracy and Social Groups  
with an Interest In Redistribution  
of Economic and Social Resources,  
The Greater The Opposition To  
Democracy By Groups Threatened  
with A Fundamental Loss of  
Wealth, Status, and Power

a. Middle Class Opposition  
To And Support For Democracy



B The Outcome is The  
Polarization of Society  
Into Pro and Anti-Democratic  
Coalitions  
1. The More Radical The  
Claims of Democratic Interests,  
The Larger The Size of  
Pro-Democratic and Anti-  
Democratic Coalitions

2. The typical Polarized  
Society Approaches 50% /  
50% Splits  
a. The Origins of Fascism  
- Europe 1919-1939

3. Anti Democratic Coalitions  
will Either Accept Democracy  
As A Result of Bargaining That  
Protects Their Interests Or  
Destabilize the Democratic State.



C. Polarization And De  
Stabilization Takes One  
0. More Concrete Strategies  
1. Military Coup (Chad model)  
2. Anti-Democratic  
Critical Elections -

Germany 1932-33

3. Constitutional Civil

War - Spain 1936-39,

Eastern Europe - post 1991

D. The Fundamentals / Correlations  
1. Incremental Democracy  
Generate Stable Democracy

2. Discontinuous, Radical / Discontinuous  
Generate Instability

1. How Do We Explain x &  
Correlations - Instability



# I. The Logic of Discontinuous and Incremental Democratization

A. In societies characterized by high levels of conflict (socio-economic, ethnic, etc.) a break in the order produced by the state creates social polarization & the emergence of radical left & radical right coalitions that destabilize democratic institutions & create the preconditions of a new authoritarian order.

1. coalitions demanding radical redistribution coalesce around radical political parties (Communists, Socialist).

2. This creates a counter-reaction & the creation of authoritarian day to night parties (Fascists, Statists)



I. B. In societies where mutually binding bargains and compensatory side-payments can be negotiated, the same processes as in the unstable cases (identical socio-economic, ethnic conflicts) lead to stable democratic outcomes.

C. Explanations (falsifiable hypotheses)

1. Market logic
2. Middle class (mass) power
3. Economic growth (wealth)
4. Tokerau values
5. Globalization
6. Bridging Institutions

# \* Democratization

- A. Discontinuous (Basic Discontinuity)  
In state power (Revolutionary)  
Allows a democratic coalition  
to impose a democratic  
agenda on a whole society,  
In No-Bargaining Creates A  
Social Survival Threat To  
Key Groups (up to a range of social  
who then mobilize through  
anti-democratic parties to veto  
democratic change - the result is  
instability of social structure
- B. Incremental Democratization  
Gradual, Bargained Democracy that  
compromises (Pragmatic) opposition



# I. Discontinuous & Incremental Decentralization

A. Discontinuous - Imposed  
Radical Agenda Generates Polarized  
and Instability - Opponents cannot  
signal credible commitments  
to enforce credible bargains

B. Incremental - Democracy  
Emerges As A Series of Bargains  
Between Supporters & Opponents  
That create consensus favoring  
democracy & permit side-payments  
to opponents (The British Parliament  
(1688-1832))

C. The Key Variable - Bridging  
Institutions - Institutions that Allow  
Credible Commitments and Enforceable  
Bargains Between Opponents and  
Supporters (The Estates - Early Parliaments)

#. Discontinuous Democracies  
A. Fascism, Communism  
As Destabilizing Agents  
1919-1935

## Incremental Democracies  
A. G. Britain, U.S.

\* The Problem of  
Credible, Enforcement  
Bergam's And  
Justification —

—  
—  
—



# I. The Costs And Benefits of Democracy

## A. Benefits (Linkage)

1. Regulation of State Power
2. Power-Saving
3. Economic Benefits  
(Subsidies, rights (curricular), privileges)
4. Social-Welfare State, social/extra-achievement

## B Costs -

1. Transition - Bargaining and Enforceability
2. Free-rider - collective action  
(collection has to compel to collect no action)
3. Principal-agent (control, representation)
4. Majority / Minority Conflict

I. The Paradox of Electoral Economics - The Paradox (2000's)  
A. What Incentives Do Politicians In Democracies Have To Implement Policies That Reduce Economic Growth Even Though They Depend On Economic Growth For Electoral Success. (Best Predictions)

B. Solution - In Three Parts  
1. Moral Hazard - Politicians Bear Only A Small Part of Poor Policies

2. Electoral Benefits Are Short-Term (like the benefit of subsidies) while Costs Are Long-Term (Inflation - The Chief Cost)



3. The Electoral Benefits Are Concentrated (on key groups)
  - Costs Are Diffuse - Relegating
  - The Incentive For Collective Action
4. Socratic-Political Candidates Not Costly - Costs Incurred:
  - a. Over Pricing Under-Pricing (Market, Price Controls)
  - b. UNEXPECTED CONSEQUENCES
  - c. Monopoly
  - d. Adverse Selection / Moral Hazard (Insurance)
5. The Importance of Monetary Regulation And Central Banks
  - c. The Welfare State
    - a. Get Britain - 1975 - 1990