THE VIEW FROM SOUTH LAWN

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he Helvidius Group has witnessed tremendous change over the past year. The *Journal of Politics & Society* has long appealed to an audience that believes in the ability of undergraduate scholarship to shed insight on the pressing issues of our time. Over the past year, we have built new forms of content that each allow us to better fulfill our mission. In addition to leading the selection and editing process that defines the *Journal*, our Editorial Board now critically reviews engaging submissions that would otherwise not be seen by viewers. The Board similarly reviews books sent to us by publishers such as Oxford University Press. I encourage you to read these new forms of content throughout the year, in addition to the printed *Journal*.

The Fall 2014 *Journal* begins with a timely piece written by Dr. Hernando de Soto. While contemporary political discourse focuses on the potential military response to terrorism, de Soto argues that the debate should instead focus on economic growth. Based on his experiences with political instability in Latin America, he argues that an unwavering commitment to free market economic development is essential to create the conditions for peace and prosperity.

The writer of this year’s Peter Tomassi Essay, Jacqueline Randell, attempts to understand the representations of the American West in Victorian London by following the rise in popularity of the Colt revolver. Using previously unexamined primary sources, this piece focuses on the revolver as a means to understand notions of Western masculinity and culture. The novelty of both the subject matter and sources demonstrates the value that undergraduate research can add to the literature base.

The next two papers use a statistical methodology to understand the successes and failures of different economic policies. Shafin Fattah explores the ability of microcredit programs to positively affect living standards. Examining data from Bangladesh, Fattah concludes that while these programs were positively correlated with consumption and land accumulation, they did not help impoverished individuals attain sustainable improvements in education or wealth. Genevieve Nielsen examines cross-national data to understand the drivers of entrepreneurial activity. Although much speculation exists concerning these factors, Nielsen concludes that the availability of capital and the perceived desirability of entrepreneurial risk-taking are the two significant predictors of entrepreneurial success.

Moving away from a primarily quantitative methodology to a qualitative one, Dan Chan Koon-hong analyzes Burma’s long history of student protests. Using both interviews and a theoretical framework, he argues that Burmese students had the largest political influence under repressive regimes where civil society was ineffective. Mohamad Khalil Harb uses a similar method to understand the lens through which the citizens of Beirut view their own city. While Beirut is often posited as a cosmopolitan city embedded within the Western socio-economic framework, the paper casts light on other perspectives held by the Beiruti people.

Finally, Gian Luca Gamberini investigates the rise of a new motorbike taxi service in rural Uganda. Using both interviews and quantitative data, Gamberini reaches interesting conclusions about both the motivations behind and the implications of the service.

The 2014 Executive Board has helped push the *Journal* forward over the past year. Our quality of submissions has never been better, and our strategy is oriented to take advantage of an increasing shift to digital viewership. I have confidence that under the next Executive Board, the *Journal* will flourish and continue to hold its reputation as the premier journal of undergraduate social science research.

Robert C. Baldwin
*Editor in Chief*

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A s the U.S. moves into a new theater of the war on terror, it will miss its best chance to beat back Islamic State and other radical groups in the Middle East if it doesn’t deploy a crucial but little-used weapon: an aggressive agenda for economic empowerment. Right now, all we hear about are air-strikes and military maneuvers—which is to be expected when facing down thugs bent on mayhem and destruction.

But if the goal is not only to degrade what President Barack Obama rightly calls Islamic State’s “network of death” but to make it impossible for radical leaders to recruit terrorists in the first place, the West must learn a simple lesson: Economic hope is the only way to win the battle for the constituencies on which terrorist groups feed.

I know something about this. A generation ago, much of Latin America was in turmoil. By 1990, a Marxist-Leninist terrorist organization called Sendero Luminoso, or Shining Path, had seized control of most of my home country, Peru, where I served as the president’s principal adviser. Fashionable opinion held that the people rebelling were the impoverished or underemployed wage slaves of Latin America, that capitalism couldn’t work outside the West and that Latin cultures didn’t really understand market economics.

The conventional wisdom proved to be wrong, however. Reforms in Peru gave indigenous entrepreneurs and farmers control over their assets and a new, more accessible legal framework in which to run businesses, make contracts and borrow—spurring an unprecedented rise in living standards.

Between 1980 and 1993, Peru won the only victory against a terrorist movement since the fall of communism without the intervention of foreign troops or significant outside financial support for its military. Over the next two decades, Peru’s gross national product per capita grew twice as fast as the average in the rest of Latin America, with its middle class growing four times faster.

Today we hear the same economic and cultural pessimism about the Arab world that we did about Peru in the 1980s. But we know better. Just as Shining Path was beaten in Peru, so can terrorists be defeated by reforms that create an unstoppable constituency for rising living standards in the Middle East and North Africa.

To make this agenda a reality, the only requirements are a little imagination, a hefty dose of capital (injected from the bottom up) and government leadership to build, streamline and fortify the laws and structures that let capitalism flourish. As anyone who’s walked the streets of Lima, Tunis and Cairo knows, capital isn’t the problem—it is the solution.

Here’s the Peru story in brief: Shining Path, led by a former professor named Abimael Guzmán, attempted to overthrow the Peruvian government in the 1980s. The group initially appealed to some desperately poor farmers in the countryside, who shared their profound distrust of Peru’s elites. Mr. Guzmán cast himself as the savior of proletarians who had languished for too long under Peru’s abusive capitalists.

What changed the debate, and ultimately the government’s response, was proof that the poor in Peru weren’t unemployed or underemployed laborers or farmers, as the conventional wisdom held at the time. Instead, most of them were small entrepreneurs, operating off the books in Peru’s “informal” economy. They accounted for 62% of Peru’s population and generated 34% of its gross domestic product—and they had accumulated some $70 billion worth of real-estate assets.

This new way of seeing economic reality led to major constitutional and legal reforms. Peru reduced by 75% the red tape blocking access to economic activity, provided ombudsmen and mechanisms for filing complaints against government agencies and recognized the property rights of the majority. One legislative package alone gave official recognition to 380,000 informal businesses, thus bringing above board, from 1990 to 1994, some 500,000 jobs and $8 billion in tax revenue.

These steps left Peru’s terrorists without a solid constituency in the cities. In the countryside, how-

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1 Hernando de Soto is the founder of the Institute for Liberty and Democracy in Lima, Peru. This piece originally appeared in the Wall Street Journal.
ever, they were relentless: By 1990, they had killed 30,000 farmers who had resisted being herded into mass communes. According to a Rand Corp. report, Shining Path controlled 60% of Peru and was poised to take over the country within two years.

Peru’s army knew that the farmers could help them to identify and defeat the enemy. But the government resisted making an alliance with the informal defense organizations that the farmers set up to fight back. We got a lucky break in 1991 when then-U.S. Vice President Dan Quayle, who had been following our efforts, arranged a meeting with President George H.W. Bush at the White House. “What you’re telling me,” the president said, “is that these little guys are really on our side.” He got it.

This led to a treaty with the U.S. that encouraged Peru to mount a popular armed defense against Shining Path while also committing the U.S. to support economic reform as an alternative to the terrorist group’s agenda. Peru rapidly fielded a much larger, mixed-class volunteer army—four times the army’s previous size—and won the war in short order. As Mr. Guzmán wrote at the time in a document published by Peru’s Communist Party, “We have been displaced by a plan designed and implemented by de Soto and Yankee imperialism.”

Looking back, what was crucial to this effort was our success in persuading U.S. leaders and policy makers, as well as key figures at the United Nations, to see Peru’s countryside differently: as a breeding ground not for Marxist revolution but for a new, modern capitalist economy. These new habits of mind helped us to beat back terror in Peru and can do the same, I believe, in the Middle East and North Africa. The stakes couldn’t be higher. The Arab world’s informal economy includes vast numbers of potential Islamic State recruits—and where they go, so goes the region.

It is widely known that the Arab Spring was sparked by the self-immolation in 2011 of Mohamed Bouazizi, a 26-year-old Tunisian street merchant. But few have asked why Bouazizi felt driven to kill himself—or why, within 60 days, at least 63 more men and women in Tunisia, Algeria, Morocco, Yemen, Saudi Arabia and Egypt also set themselves on fire, sending millions into the streets, toppling four regimes and leading us to today’s turmoil in the Arab world.

To understand why, my institute joined with Utica, Tunisia’s largest business organization, to put together a research team of some 30 Arabs and Peruvians, who fanned out across the region. Over the course of two years, we interviewed the victims’ families and associates, as well as a dozen other self-immolators who had survived their burns.

These suicides, we found, weren’t pleas for political or religious rights or for higher wage subsidies, as some have argued. Bouazizi and the others who burned themselves were extralegal entrepreneurs: builders, contractors, caterers, small vendors and the like. In their dying statements, none referred to religion or politics. Most of those who survived their burns and agreed to be interviewed spoke to us of “economic exclusion.” Their great objective was “ras el melan” (Arabic for “capital”), and their despair and indignation sprang from the arbitrary expropriation of what little capital they had.

Bouazizi’s plight as a small entrepreneur could stand in for the frustrations that millions of Arabs still face. The Tunisian wasn’t a simple laborer. He was a trader from age 12. By the time he was 19, he was keeping the books at the local market. At 26, he was selling fruits and vegetables from different carts and sites.

His mother told us that he was on his way to forming a company of his own and dreamed of buying a pickup truck to take produce to other retail outlets to expand his business. But to get a loan to buy the truck, he needed collateral—and since the assets he held weren’t legally recorded or had murky titles, he didn’t qualify.

Meanwhile, government inspectors made Bouazizi’s life miserable, shaking him down for bribes when he couldn’t produce licenses that were (by design) virtually unobtainable. He tired of the abuse. The day he killed himself, inspectors had come to seize his merchandise and his electronic scale for weighing goods. A tussle began. One municipal inspector, a woman, slapped Bouazizi across the face. “What little capital they had.

Tunisia’s system of cronyism, which demanded payoffs for official protection at every turn, had withdrawn its support from Bouazizi and ruined him. He could no longer generate profits or repay the loans he had taken to buy the confiscated merchandise. He was bankrupt, and the truck that he dreamed of purchasing was now also out of reach. He couldn’t sell and relocate because he had no legal title to his business to
pass on. So he died in flames—wearing Western-style sneakers, jeans, a T-shirt and a zippered jacket, demanding the right to work in a legal market economy.

I asked Bouazizi’s brother Salem if he thought that his late sibling had left a legacy. “Of course,” he said. “He believed the poor had the right to buy and sell.” As Mehdi Belli, a university information-technology graduate working as a merchant at a market in Tunis, told us, “We are all Mohamed Bouazizi.”

The people of the “Arab street” want to find a place in the modern capitalist economy. But hundreds of millions of them have been unable to do so because of legal constraints to which both local leaders and Western elites are often blind. They have ended up as economic refugees in their own countries.

To survive, they have cobbled together hundreds of discrete, anarchic arrangements, often called the “informal economy.” Unfortunately, that sector is viewed with contempt by many Arabs and by Western development experts, who prefer well-intended charity projects like providing mosquito nets and nutritional supplements.

But policy makers are missing the real stakes: If ordinary people in the Middle East and North Africa cannot play the game legally—despite their heroic sacrifices—they will be far less able to resist a terrorist offensive, and the most desperate among them may even be recruited to the jihadist cause.

Western experts may fail to see these economic realities, but they are increasingly understood in the Arab world itself, as I’ve learned from spending time there. At conferences throughout the region over the past year, I have presented our findings to business leaders, public officials and the press, showing how the millions of small, extralegal entrepreneurs like Bouazizi can change national economies.

For example, when the new president of Egypt, Abdel Fattah Al Sisi, asked us to update our numbers for his country, we discovered that the poor in Egypt get as much income from returns on capital as they do from salaries. In 2013, Egypt had about 24 million salaried citizens categorized as “workers.” They earned a total of some $21 billion a year but also owned about $360 billion of “dead” capital—that is, capital that couldn’t be used effectively because it exists in the shadows, beyond legal recognition.

For perspective: That amounts to roughly a hundred times more than what the West is going to give to Egypt this year in financial, military and development assistance—and eight times more than the value of all foreign direct investment in Egypt since Napoleon invaded more than 200 years ago.

Of course, Arab states even now have laws allowing assets to be leveraged or converted into capital that can be invested and saved. But the procedures for doing so are impenetrably cumbersome, especially for those who lack education and connections. For the poor in many Arab states, it can take years to do something as simple as validating a title to real estate.

At a recent conference in Tunisia, I told leaders, “You don’t have the legal infrastructure for poor people to come into the system.”

“You don’t need to tell us this,” said one businessman. “We’ve always been for entrepreneurs. Your prophet chased the merchants from the temple. Our prophet was a merchant!”

Many Arab business groups are keen for a new era of legal reform. In his much-discussed 2009 speech in Cairo, President Obama spoke of the deep American commitment to “the rule of law and the equal administration of justice.” But the U.S. has yet to get behind the agenda of legal and constitutional reform in the Arab world, and if the U.S. hesitates, lesser powers will too.

Washington should support Arab leaders who not only resist the extremism of the jihadists but also heed the call of Bouazizi and all the others who gave their lives to protest the theft of their capital. Bouazizi and those like him aren’t marginal people in the region’s drama. They are the central actors.

All too often, the way that Westerners think about the world’s poor closes their eyes to reality on the ground. In the Middle East and North Africa, it turns out, legions of aspiring entrepreneurs are doing everything they can, against long odds, to claw their way into the middle class. And that is true across all of the world’s regions, peoples and faiths. Economic aspirations trump the overhyped “cultural gaps” so often invoked to rationalize inaction.

As countries from China to Peru to Botswana have proved in recent years, poor people can adapt quickly when given a framework of modern rules for property and capital. The trick is to start. We must remember that, throughout history, capitalism has been created by those who were once poor.

I can tell you firsthand that terrorist leaders are very different from their recruits. The radical leaders whom I encountered in Peru were generally murder-
ous, coldblooded, tactical planners with unwavering ambitions to seize control of the government. Most of their sympathizers and would-be recruits, by contrast, would rather have been legal economic agents, creating better lives for themselves and their families.

The best way to end terrorist violence is to make sure that the twisted calls of terrorist leaders fall on deaf ears.
THE PETER TOMASSI ESSAY

COLT CULTURE:
EXAMINING REPRESENTATIONS
OF THE AMERICAN WEST IN VICTORIAN LONDON

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ABSTRACT
In 1851, the Great Exhibition in London's Hyde Park featured displays of art and technology from across the world. Compared to exhibitions from France, India, and Great Britain itself, the U.S. section seemed unimpressive with the exception of one item: the Colt revolver. Following its appearance at the Great Exhibition, the Colt revolver emerged frequently in British popular culture and culminated in the appearance of cowboys with revolvers in the late 1880s on Buffalo Bill's Wild West Show. This paper explores representations of masculinity, white imperial authority, and the American West in Victorian England by tracking the appearance of the Colt revolver in exhibitions, children's literature, and staged shows. It follows three chronological stages of the Colt revolver: in exhibition culture, in popular literature, and in the Wild West Show. Ultimately, it demonstrates that while the Colt revolver failed in the British marketplace, it thrived in British popular imagination and established figures of the American West in the minds of many Victorians prior to the famed Wild West Show.
INTRODUCTION

“This is the famous Revolver, of which marvelous tales are told in the Western States...”

- Charles Dickens, 1855

Today, Americans own more guns than any other nation in the world. With more than double the per-capita rate of gun ownership of the second and third-ranked nations, the United States is very much an anomaly. Even its former mother country, the United Kingdom, has a mere 6.2 guns for every one hundred residents. While dramatic, this disjunction probably does not shock many readers, as the Second Amendment holds a firm place in the hearts of many Americans. But given the cultural and political links between the United States and the United Kingdom, how did the two nations come to diverge so drastically on gun culture and politics? Historians trace the causes of differences in American and English gun cultures back to geography, frontier life, and the American Revolution, among other factors. But few stories illustrate the complexity of gun culture more beautifully than the narrative of the Colt revolver.

The Colt revolver, or the gun of the West, entered the British cultural imagination with its appearance at the Great Exhibition in 1851. As an English-made commodity, it disappeared on the British market in 1856, but the real revolver reentered British culture with scenic landscapes, wooden towns, and rowdy saloons. By the time Samuel Colt first introduced his revolving-barrel handgun to foreign markets, it already evoked colorful impressions of life on the American frontier. Ultimately, the Colt revolver represented the industrial progress of the United States alongside technologies like the McCormick grain reaper and the Newell’s Permutation Lock. While the English press deemed the U.S. section of the Exhibition unimpressive, especially compared to the Indian, French, and English sections, coverage of Samuel Colt and his revolver left a lasting impression.

The revolver elicited such a positive reaction that Colt was invited to speak at the Institution of Civil Engineers, where he illuminated his intentions of introducing American-made revolvers to English markets. After years of trying to gain proper certification from the English government, Colt finally opened a firearms factory outside of London in 1853. While the business venture ultimately failed, with Colt closing his London factory in 1856, his revolver continued to be an object of fascination in English popular culture in the years following its showcase, emerging frequently in English children’s fiction to accompany cowboys, rangers, and figures of the American West.

London-published magazines and pennysavers depicted images of the wild American frontier, replete with scenic landscapes, wooden towns, and rowdy saloons. Moreover, they began describing characters...
that we now associate with the West such as overland wagon travelers, Native Americans, sheriffs, and the infamous American cowboys.⁴ In these tales of heroism and adventure, cowboys were typically armed with a bowie knife, a rifle, and a revolver for defense against Native Americans, wild buffalo, and bandits roaming the frontier.⁵ Whereas frontiersmen used their rifles for long-distance hunting, the lightweight semiautomatic revolver was ideal for duels and close-range self-defense. The revolver was a necessary mechanism of power in a land where towns were separated by miles of plains or deserts and legal authority depended on the speed of one's horse and one's skill with a revolver. For the boys of Victorian London, this landscape was strikingly different from the broad streets of the West End or the crowded alleys of the East End, and the cowboys about whom they fantasized were vastly different from any character they encountered in London. Far before the most famous cowboy of the time walked the streets of London himself, the cowboy character had been cemented in the minds of English boys from years of reading dime novels and pennysavers.

To demonstrate the imaginative power of the Colt revolver in British popular culture from 1851 to 1887, this thesis follows three chronological stages of the Colt revolver: in exhibition culture, in popular literature, and in Buffalo Bill’s Wild West Show. In the first section, I follow the conception and construction of the Colt revolver, following it to the Great Exhibition and the British marketplace. Part II examines the Colt revolver’s emergence in popular children’s fiction from 1851 to 1887, through London-based publications such as The Boy’s Comic Journal, The New Boys’ Paper, Sons of Britannia, Halfpenny Marvel, The Boys’ Champion Paper, and The Boys’ Leisure Hour.

These boys’ weeklies regularly featured tales of the American West, and many stories depicted images of cowboys yielding Colt revolvers. The third section of this thesis studies the reaction of the British press to the Wild West Show, which reveals that the Colt revolver, the gun of the West, had cemented notions of the American West in the British popular imagination prior to Buffalo Bill’s arrival on British soil.

LITERATURE REVIEW

This thesis engages with multiple areas of historical inquiry, from the history of technology to exhibition culture and children’s literature. It traces how a piece of technology links disparate domains of history from the nineteenth-century industrial market to the Great Exhibition, to English children’s literature, and, finally, to the world of live entertainment and the Wild West Show. This thesis does not attempt to argue that the Colt revolver instigated a full-blown Americanization of British culture. It does, however, contend that the Colt revolver played a key role in representing the American West in British culture that led up to the huge popularity of Buffalo Bill’s Wild West Show in 1887.

The striking differences in American and British gun cultures have inspired a field of literature on the subject. Peter Squires, a scholar of criminology and policy in England, has made significant contributions to the understanding of the relationship between English and American gun cultures. He points to the American tradition of ‘winning the West’ and ‘taming the wild frontier’ to explain the huge popularity of guns in the United States. Squires says, “In an American historical imagination, firearms played their part in some epic civilizing process whereby law, order, and authority were established.”⁷ For Squires, firearms are fundamentally tied to American notions of democracy, individualism, and justice. Gun ownership, he claims, is closely tied to beliefs of democracy in the modern United States, where pro-gun activists fight for their right to keep and bear arms with fervent passion. In the nineteenth century, and even today, Colt’s Manufacturing Company exploits the post-civil war slogan, “Abe Lincoln may have freed all men, but Sam Colt made them equal,” as a clever marketing tool implying gun ownership’s inclusion as a principle of democracy.⁶

While historians agree that the United States has...
a long and intense tradition of gun ownership, the same cannot be said for Britain. Squires and others claim that Britain has no real institution of widespread handgun ownership. Before the nineteenth century, firearms were too expensive and limited to wealthy consumers. Moreover, social restrictions deemed firearms appropriate only for hunting and collecting, two leisure activities exclusively identified with landed aristocrats and wealthy bourgeoisie. Even in the nineteenth century, when firearm manufacturing expanded significantly, guns were primarily assembled for military service and were sent beyond Britain’s borders to protect the growing empire. Squires identifies “a combination of elite restrictions, concentrated land ownership, the absence of suitable game, and an urbanization of working-class residential patterns” to account for the limited scale of private gun ownership. He even goes on to say that collectivist urban social order aimed to keep guns out of the hands of those “perhaps more likely to employ them in criminal activity,” or the urban poor.

Joyce Lee Malcolm, another scholar of British gun culture, also pursues the social differences between the United States and the United Kingdom that could have contributed to a disparity in gun ownership during the nineteenth century. In Guns and Violence, The English Experience, Malcolm addresses the need for further research into the impact of private arms on crime in England to explain the puzzling fact that the Victorian era managed to achieve an enviably low rate of violent crime despite numerous social problems and no controls on guns. She asserts that while there were few legal restrictions on private gun ownership in nineteenth-century England, the social restrictions worked to inhibit gun ownership among members of the urban working class. Like Squires, Malcolm considers social restraint on access to firearms an important feature of urban life in Victorian London, a feature that may have contributed to declining rates of violent crimes. In U.S. history, firearm ownership played an integral role in “conquering” and “civilizing” the wild frontier. In English history, the social and legal restrictions on firearms were fundamental to maintaining social order, or “civilizing” the urban environment.

From its very first appearance in England at the Great Exhibition of 1851, the revolver, representing the technology’s ability to control the frontier, was more of a national symbol than a consumer product. While scholars have discussed the revolver as an important figure in the industrial progress of the United States, no scholars have examined the changing role of the revolver in Britain. Moreover, no scholar has connected the ironic juxtaposition of the revolver’s declining market demand with its immense popularity in British exhibition culture and popular entertainment. Just as the revolver was failing on the British market, it emerged in British popular culture in the form of children’s dime novels and pennysavers.

While there is little historical discussion covering the role of the Colt revolver, or even American firearms in English children’s literature, historians consider Victorian London important for the advent of literature written specifically for children. With a sharp increase in literacy rates and new developments in inexpensive printing, magazines and pennysavers marketed toward children were affordable and easy to find. Historian Monica Rico claims that for the readers of “Boys’ Weeklies” in London, the American West represented a land of adventure and possibility. However, no scholar has noted the Colt revolver’s significant role in shaping their imagination. Moreover, no one has followed the revolver through exhibition culture, British popular literature, and, finally, Buffalo Bill’s Wild West Show, where British boys would see their favorite childhood tales in action.

PART I: A DISPLAY OF ARMS

According to Stephen Granscay, an early historian of the American West, the region’s saga depended deeply upon two American inventions: the Kentucky rifle and the Colt revolver, “the first practical pistol which could discharge its five rounds as rapidly as the eye can wink.” A notorious weapon of cowboys and law enforcers across the United States frontier, the revolver became a chief symbol of the American West from its first appearances in popular culture. When one imagines the early American West, one pictures red valleys and canyons, wooden towns equipped with raucous saloons, and a cowboy riding off into a sunset. Envisioning characters of the West, popular imagina-

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viii “A combination of elite restrictions, concentrated land ownership, the absence of suitable game and an urbanization of working-class residential patterns conspired to keep firearms out of the hands of those perhaps more likely to employ them in criminal activities. In such ways a variety of contingencies influenced the ‘civilising process,’ and, by the second half of the nineteenth century, a largely unarmed civilian policing system underpinned the increasing collectivist character of urban social order,” Squires, Gun Culture or Gun Control?, 24-25.
tion conceives of Native Americans wearing traditional garb and yelling war calls, along with rough-riding, sharpshooting cowboys who live outside the law but within their own honor codes. These cowboy figures would not be complete without wide-brimmed hats, leather boots, and holsters outfitted with revolvers. These pictures of the American West first entered urban culture in America's eastern seaboard in the early 1800s, and they proceeded to travel east to London in the mid-nineteenth century.

When cultural historians picture cowboys in London, they often jump to the 1887 London debut of Buffalo Bill's Wild West Show. However, figures of the American West were well-established in British popular culture by 1851, when Samuel Colt brought his revolver to the Great Exhibition. Born in 1814 in Hartford, Connecticut, Colt became a prominent American inventor and businessman by the age of twenty-two. Colt invented the revolving cylinder design and won U.S. Patent No. 138 for his Paterson revolver in 1836, the same year he founded Colt's Patent Firearms Manufacturing Company. While the Paterson revolver had limited success, Colt's Walker revolver, patented in 1848, received a warm reception from military leaders and frontiersmen. Colt was the first manufacturer known to commercialize a product with entirely interchangeable parts, a technological innovation that contributed to the growth of his company in the late 1840s and 1850s.

The handgun manufacturer became a household name by 1851, when Colt released the Navy revolver. Originally named the Colt Revolving Belt Pistol of Naval Caliber, the Navy revolver has a six round cylinder and .36 caliber round lead ball with a velocity of 1,000 feet per second, making it more accurate, quick, and efficient than any handgun at that time. Colt's company held a monopoly on the revolver handgun until 1857 and continued to produce the most widely-used revolvers until the mid-twentieth century. In 1851, Colt's Hartford factory produced 215,000 Navy revolvers. Over the next few decades, nearly a million Navy revolvers were manufactured and circulated in American and foreign markets. According to Colt's biographer, William B. Edwards, Colt's revolver "was the pistol of the 'Wild West' and the Philippine Insurrection." Edwards writes, "Imitated in nearly every gun-making nation in the world, [the revolver] was Colt's passport to undying fame." The handgun not only advanced Colt's celebrity, but also spread notions of American technological progress across borders and oceans.

Colt and the Great Exhibition

According to Edwards, "if Colt had been offered a chance to live one year of his life over again, he would probably have chose 1851...in that year he achieved immortality." In that year, he traveled to London along with more than 500 of his American-made handguns for the Great Exhibition, where he received considerable attention from the British press. Colt and his revolver triumphed over his largest competitors, and he became known throughout the United States as "Colonel Colt." Because of his exhibition's success, he became the first non-Englishman to speak at the Institution of Civil Engineers in London, then considered the most learned mechanical society in the world. Colt befriended world leaders, including the Tsar Aleksandr II of Russia, and became a household name known across the globe. "Oh, yes, in that year he achieved immortality," Edwards writes.

Of his many achievements in 1851, Colt's display at the Great Exhibition was probably his greatest; Colt and his revolvers represented the industrial progress of the United States. Taking place in London's Hyde
Park in the summer of 1851, the Great Exhibition was the first World’s Fair, featuring displays from forty-four nations, Great Britain, and its colonies in the “Crystal Palace.” It was an architectural marvel of its time. Modern scholarship agrees that Prince Albert and the Royal Society for the Encouragement of Arts organized the fair in order to celebrate Britain’s industrial progress and solidify its imperial dominance. It comes as little surprise, then, that the heavily funded displays of technology and crafts from Britain and its colonies overshadowed those of every other nation, except perhaps the luxury goods and artwork of France. The U.S. section paled in comparison.

The Crystal Palace featured 15,000 displays—10,184 of which were exhibits of British and colonial technologies and crafts. The United States section presented a mere 534 exhibits. While the United States won more prizes than Great Britain in proportion to the number of articles displayed, visitors and the British media generally considered the American section an unimpressive failure, proof that the United States was an unsophisticated society with little culture and capital. Unlike exhibitors from most participating nations, American industrialists did not receive official government sponsorship, nor did they receive aid from the U.S. Congress. Many potential exhibitors, left to their own initiative and resources, hesitated to spend time and money displaying their products at the exhibition. Without government sponsorship, the U.S. section looked unfilled and undecorated, especially when compared to the lavish rooms from France and other government-sponsored sections. George Peabody, an American businessman, donated $15,000 to decorate the U.S. section and transport goods from London’s harbors to Hyde Park. Yet the room allocated for the United States section was far too big, and the American products appeared even less impressive spread out in a vast, barely decorated room. As she left the U.S. section, Queen Victoria allegedly deemed it “certainly not very interesting.”

However, a handful of American industrialists were able to stage popular exhibits that could compete with British and French displays. Newell’s Parautopic Lock presented by Alfred Charles Hobbs proved more durable and reliable than any other lock on display at the exhibition, and was considered a technological feat. Robert McCormick demonstrated that his grain reaper was the most efficient crop-harvesting machine of the time, impressing many agriculturalists and setting a precedent for agriculture technology around the world. When visiting the Crystal Palace, Colonel Sibthorp was “astonished at the ingenious production of Colt, the gunmaker, so justly celebrated for his six-barreled revolver pistol,” according to an article appearing in the *Liverpool Mercury*, etc. These reviews of the revolver are particularly significant considering Sibthorp, a Member of Parliament, opposed the Great Exhibition from its conception and publicly detested foreign influence. Colt’s revolver was the most widely discussed American technology at the Great Exhibition, which is exactly what Colt had hoped for.

Prior to the exhibition’s opening, Colt would arrive early each morning to direct the workmen as they completed his display structure. By May 1851, both Colt and the Crystal Palace were ready. According to one historian, “Colt’s stand was the center of interest.” His display featured more than 500 firearms, including vast panoplies of Navy pistols, engraved and deluxe arms, and a few experimental rifles, as shown.

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xi Coincidentally, George Peabody, an avid gun collector, also provided funds for the George Peabody Library in Baltimore, MD, which contains vast collections on both the history of American firearms and the Great Exhibition, which contributed to much of this thesis’ research.
in Figure 2. The display drew a constant crowd of mili-
tary men and sportsmen, who were interested both in
the revolvers and the bottles of good brandy that Colt
had under the counter.30 Colt, after all, was a sales-
man, and planned to sell his revolvers in the British
market in the coming years. He intentionally market-
ed to a niche of men from the leisure or professional
class, like Sibthorp, who were interested in sporting,
technology, and the military. However, as demonstrat-
ed in Figure 2, some ladies were attracted to the dis-
play of arms as well. The women in the illustration ap-
pear to be spectators, looking up at the display in awe,
while the men appear to be actively engaged with the
firearms, holding a revolver and supposedly discuss-
ing its features. Sportsmen, collectors, and military
men served as the primary audience for Colt’s display
as they were the only group with the means and social
liberties to purchase firearms in 1851 Britain. The de-
ographics of this niche would transform as the re-
volver moved from the arena of technological culture
to that of popular imagination.

Colt’s exhibit also featured an interesting caveat.
Attached to the right side of the display of revolver
was a notice excerpted from the Select Committee Re-
port of the U.S. Senate:

On the Texan frontier, and on the several routes
to California, the Indian Tribes are renewing their
murderous warfare, and a general Indian war is likely
to ensue, unless bodies of mounted men, efficient-
ly equipped for such service, are employed against
them…A few bold men, well skilled in the use of these
weapons, can, under such circumstances, encounter
and scatter almost any number of savages.31

This notice reveals a representative national
agenda among participants of the Great Exhibition to
display the technological westernized progress of their
industrial sector. Claiming that his revolver aided the
conquest of the wild American frontier, Colt silenced
the voice of Native Americans and appealed to the
colonizing spirit of spectators and British media. This
notice also linked the revolver to the conquest of the
American West, an association that the revolver would
carry in British culture for years to come.

There can be no doubt that the Colt revolver con-
tributed to the limited positive reception of the U.S.
section at the Great Exhibition. According to histori-
ans of the Exhibition, “Colt obtained a great deal of
publicity in the printed journals of the Exhibition.”32
Samuel Colt’s revolvers were acknowledged to be the
most interesting firearms on display.33 “American
Firearms in the Exhibition,” featured in the Octo-
ber 30, 1851 edition of the London Times, described
Colt’s display of revolvers as the largest and most im-
pressive show of firearms in the entire Crystal Palace.
Moreover, it remarked, “meeting the gregarious Colt
himself was itself worth a trip to the United States sec-
tion.”34 Articles in the British press revered Colt’s re-
volvers, even though they tended to disparage Ameri-
can exhibits as a whole.

Over the course of the Exhibition, from May
through October 1851, the revolver continued to ap-
pear in British media. It became not only an impres-
sive piece of technology, but also a symbol of American
culture. Exhibition historian Thomas Richards con-
mends the Great Exhibition for its unique ability to el-
ivate a form of technology into a form of culture, say-
ing “under glass, lit by the light of the sun and touched
by the scrutinizing gaze of the public, the Exhibition
commodity was an encyclopedia of representation.”35
The Colt revolver certainly confirms Richard’s theory.
With its appearance at the Great Exhibition, the re-
volver evolved from an accurate handgun to an em-
bolm of the American West, a tool for conquering the
frontier, and an icon of masculine cowboy characters.

In an issue of Household Words, a publication
edited by Charles Dickens, one article entitled “Re-
volvers” described Colt’s technology as an essential
feature of life on the American frontier. The article
referred to the “frontiersman” who depended “on his
personal ability to protect himself and his family” and
“had often meditated upon the inefficiency of the or-
dinary double-barreled gun and pistol.”36 The revolv-
er, which this archetypal frontiersman coined “The
Peacemaker,” helped him fight away Native Ameri-
cans and control his rough environment. The article
goes on to say, “This is the famous Revolver, of which
marvelous tales are told in the Western States.” When
confronted with “those irresistible peacemakers in
the hands of a handful of gold carriers, [large parties
of Native Americans] have been seen to drop their
greedy eyes, and slink away.” “The Peacemaker” was
not meant to be ironic; for many British readers, the
revolver was not only an instrument of violence, but
also a warden of peace.

According to his biographer, Colt never antici-
pated such high praise for his revolvers, yet he used his
positive reception at the Great Exhibition as a market-
ing strategy in the following years.37 Colt was invited
to read a paper on revolving arms to the Institution of Civil Engineers and spoke on November 25, 1851 to members of the Institution, and influential army officers and government officials. Calling upon the special racial and imperial relationship between the United States and Britain, Colt proclaimed his revolvers as “indispensable to the pioneers of civilization in new countries, and still as necessary for the preservation of peace in old countries.”xii Colt took advantage of Britain’s imperial position, pointing to the need for revolvers to “promote peace” in Britain’s colonies. He went on to call upon his success at the Great Exhibition; he said, “…assembled within the crystal walls of that magnificent palace, erected for the purpose of promoting peace and harmony in the great family of man, are found in the warriors of all nations.”39 Colt claimed that his revolver, which had “reached perfection in the art of destruction,” was a critical investment for Britain’s future as a world empire. In doing so, Colt not-so-subtly prepared for the introduction of his revolvers into the British marketplace.

**Selling to England**

In October 1852, a year after the closing of the Great Exhibition, Colt sailed for England, taking with him men and machinery to start a London branch of his factory. He opened the London factory of Colt’s Manufacturing Company on January 1, 1853 at Pimlico—on the Thames Bank near Vauxhall Bridge—in a large building formerly used to make castings for the construction of the Crystal Palace. He also maintained an office in Pall Mall, London. His London factory primarily made 1849 Pocket revolvers and 1851 Navy revolvers.40 Colt was famous for utilizing the assembly line in his gun manufacturing. This contrasted sharply with British gun manufacturers, who employed artisanal workshops to create individual firearms piece by piece. Colt’s London factory “was a constant source of surprise to English observers,” who were dumbfounded not only by Colt’s assembly line but also by his employment of female workers rather than male artisans: “When it was noted that Colt’s arms were being made by machinery so set up that girls, whose former employment had been needle work, could bore barrels and drill lock frames, the English mechanics were really amazed.”41 Colt’s distinct, American system of manufacturing utilized the assembly line to produce entirely interchangeable parts. Instead of a single craftsman making the vast majority of the gun from start to finish, female workers could repeat the same task over and over, requiring little training.42

For all of its advances, Colt’s London factory ultimately failed as a business venture. Following the introduction of the Colt Navy revolver into the British market, intense competition ensued between Samuel Colt and Robert Adams, a British gunsmith who was the first to patent a double-action revolver in the same year as the exhibition. British officers favored the self-cocking 1851 and 1854 Adams revolvers over the Colt revolvers in the Crimean War. Moreover, the Adams revolvers were quicker and had a .442 caliber bullet, which was more destructive than the .36 caliber Colt Navy revolvers. In 1856, the British Armed Forces officially adopted the .442 caliber Beaumont-Adams revolver.43 This newer revolver gave Robert Adams a competitive advantage, contributing to the closing of Colt’s London factory later that year.44

Colt’s biographers attribute the closing of his London factory not only to a lack of sales, but also to problems with his labor force. Many of the American workmen that Colt brought to London felt homesick and subsequently refused to stay in London for more than a few years. Colt also documented that he could not find many British workers skilled in gun manufacturing. In addition to female workers recruited for the assembly line, Colt also needed engineers who had extensive training in the American system of gun manufacturing to oversee the workers and machines.45 Just as importantly, the English-made revolvers did not sell as well as Colt had hoped: “private sales were too small—English gentlemen have little need for firearms, and the War supplies were large enough for years to come.”46 In rural environments, rifles were traditionally used for hunting and sport; in urban environments, handguns came with not only steep prices, but also with strict social constraints. Even if a member of the working class managed to acquire a revolver, firearms were considered respectable only for sportsmen, collectors, and military men, whereas criminals and street gangs were typically armed with knives. British police officers continue to carry batons instead of firearms. Gun historians claim that Britain has never had an institution of widespread handgun ownership. Even when firearms became more available in the mid-nineteenth century, police worked diligently to keep guns out of the hands of the urban working class.47 By December 1856, after closing the

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last section of his factory, Colt held a silent Christmas gathering, “a party that was more of a requiem, a toasting to lost ambitions, for in England, Colt had failed.” But while Colt’s London factory was a business blunder, his revolver did not leave Britain altogether; it reentered the British cultural imagination as a symbol of the American West in popular fiction.

PART II: COWBOYS, INDIANS, AND REVOLVERS IN CHILDREN’S LITERATURE

Just as Colt’s revolver left the British firearm market, it began appearing in popular culture—first in travel journals, then in novels, and, finally, in boys’ story papers. It typically appeared alongside the bowie knives and Winchester rifles that adorned cowboys and rangers of the American West. Helen Smith of the British Museum notes that in the 1860s and 1870s, “dime novels imported from the United States, with new characters like Buffalo Bill, were imitated and pirated in smaller format single issue stories with attractive bright covers.” Typically featured in affordable, weekly-published story papers, adventure tales of the American West primarily targeted an audience of lower-middle- and working-class boys aged 10 to 14. They often depicted stories of British boys traveling to the Wild West, where they encountered wooden towns, Native Americans, and of course, cowboys.

Children’s literature published from 1851 to 1887 provides ample evidence that figures of the American West were present in British popular culture well before the arrival of Buffalo Bill’s Wild West Show in 1887. While the revolver embodied notions of violence in adventure tales of the West, for boy readers, it also served as a compelling emblem of the eradication of social barriers, new characteristics of masculinity, and white imperial conquest. Examining appearances of the Colt revolver in London-based boys’ papers such as the The Boy's Comic Journal, The New Boys’ Paper, Sons of Britannia, Halfpenny Marvel, The Boys’ Champion Paper, and The Boys’ Leisure Hour reveals images of cowboys using Colt revolvers to protect themselves and defeat their enemies in both saloon duels and wars with Native Americans. Fictitious cowboys used revolvers to flaunt their skill, power, and authenticity, all of which were integral components in the shaping of masculinity for London boy readers.

The mid-nineteenth century welcomed the advent of the boys’ story papers or “Boys’ Weeklies,” which were inexpensive periodical publications featuring short stories, images, and puzzles targeted at boys aged 8 to 15. Many factors contributed to the development and popularity of boys’ story papers in Victorian England: veneration of childhood and adolescence, increased literacy rates, eradication of taxes on knowledge, and the development of less expensive and more efficient printing technologies. Historians consider Victorian Britain an important setting for the advent of literature written specifically for children, especially for children from middle and working class.

Changes in middle class culture included a new veneration of childhood and incited the commercial production of children’s literature. While cultural historian Claudia Nelson notes that the Victorian era did not “discover” childhood, she says that ideas about the developmental theories of environment put forth by philosophers like John Locke and Jan-Jacques Rousseau shaped Victorians views. She goes on to claim, “We may legitimately contend that Victorian conceptions of childrearing, the state of being a child, and of the emotional importance of children to society” influenced the widespread production of novels, magazines, and story papers targeted towards children.

According to historian Kelly Boyd, Victorian Britain was not only an important setting for the veneration of childhood, but also for adolescence. From 1870 to 1900, middle-class society began to recognize an intermediary period between childhood and adulthood. Acceptance of this stage of development as distinct from childhood and adulthood then spread to lower-middle- and working-class culture. During adolescence, lower-middle- and working-class boys often worked part-time as errand boys, paper deliverers, or clerks. This allowed them to have spare change to buy story papers as well as some leisure time to read it. These were by no means boys of wealth and leisure, but the changing economic and social trends allowed them enough time and money for small indulgences like boys’ weeklies.

By 1861, there were over one million male youth between ages 10 and 14 in England and Wales, many of whom were literate. The Victorian period welcomed many education reforms, including the Forster Act in 1870, which required that all children receive formal education until the age of ten, and as a result literacy...
rates increased tremendously. The steady expansion of children’s education and literacy also created a new market for publishers.\textsuperscript{55} Moreover, the eradication of “taxes on knowledge” accompanied with the development of more efficient technologies in printing decreased the production costs of newspapers and magazines.\textsuperscript{56}

With a sharp increase in literacy rates and new developments in inexpensive printing, story papers marketed for children were affordable and easy to find. By the 1870s and 1880s children’s periodicals could afford to specialize, aiming at the urban working-class boy or girl as well as at middle-class consumers such as the “public-school boy” or the “Tractarian young lady.”\textsuperscript{57} To be sure, children’s literature and periodicals had existed in England since the eighteenth century: boys’ weeklies succeeded broadsheet, and serial romances and penny dreadfuls reflected gothic revivalism. But the mid-nineteenth century witnessed a shift from stories about moral improvement, religious mysticism, and gothic mysteries, to tales of adventure and conquest.\textsuperscript{58}

**Western Imagination in Boys’ Weeklies**

As a consequence of this trend, boys’ story papers were filled with adventure stories of foreign lands and waters, which “captured the imaginations of readers hungry for knowledge of the wider world at a time when few ventured much beyond the schoolroom.”\textsuperscript{59} While settings ranged from the Indian isles to African jungles, one of the most prevalent and powerful settings was the American frontier. The Colt revolver stood as a piece of industrial technology used primarily by Anglo-Saxon men from modest backgrounds to exert control over this lawless and wild area.

Depicting the West as a land of lawlessness and individualism, stories in boys’ weeklies introduced a new type of protagonist. Many adventure tales featured English boys as protagonists who were transplanted to the American West as a result of a deus ex machina. These fictional English boys, often from the lower-middle or working-classes and named “Jack,” “Ned,” or “Dick,” typically arrived in the wild American frontier under a set of uncontrollable circumstances and faced challenges from the land or its inhabitants.xivv

Appearing in *Sons of Britannia* in 1874, “Lone Wolf, the Apache Chief; or, an English Boy’s Adventures Amongst the Indians” introduced Ned, an English boy who travels to the American West almost by chance and finds himself captured by a group of Apaches.\textsuperscript{60}

In contrast to the narrators of elite travel memoirs, Ned was not a member of the aristocracy; in fact, his language and descriptions pegged him as a working-class Londoner, working as a cook’s aid for a battalion of the British Armed Forces travelling to Canada.\textsuperscript{xv} Through a series of unexplained circumstances, Ned wound up in the American southwest. Following Ned through his journey from East End boy to revolver-toting hero, audiences who identified with Ned imagined themselves hunting bison and fighting Native Americans on the American frontier.

More than mere escapist fantasy, stories of the American frontier provided a democratic setting where lower-middle and working-class boy readers could identify with a masculine hero born into modest circumstances. The Colt revolver, notoriously associated with egalitarianism, served as an instrument of power in a land where authority and masculinity were linked with physical strength as opposed to societal status. According to Monica Rico, boys of working-class London understood the West as “a utopian space where masculinity could be affirmed by effortlessly overcoming challenges.”\textsuperscript{61} Held in captivity by the Apaches, Ned sneakily grabs hold of a revolver, whereupon he “felt braver on the instant,” thinking, “none of them suspect I’ve got such a powerful thing about me, and that gives me the better chance.”\textsuperscript{62} Even tied to a horse and surrounded by supposedly dangerous Native Americans, Ned—a working-class boy from London—felt superior with a revolver beneath his waistcoat. Widespread and inexpensive relative to prewar handguns, Colt’s revolver did not have class boundaries. Rather, the revolver endowed all owners with social authority.

The new character of western heroes in boys’ weeklies reflects the changing nature of British masculinity in the second half of the nineteenth century. The masculine ideal of early Victorians was typically characterized by moral and religious fortitude, industriousness, and homosocial activities.\textsuperscript{63} As Britain’s
empire expanded in size and strength, its ideal model of masculinity evolved to meet Britain's changing role in the world. By the late nineteenth century, the ideal masculine character would be patriotic, courageous, and physically strong, with classic Anglo-Saxon features.64 “My Frontier Angel: An Episode in the Life of a Confederate Officer,” which appeared in The Gentleman’s Journal in 1870, starred Basil Peyton, a former lieutenant of the confederate army who remained in the southwestern United States after the war. Peyton fits all of the characteristics of the new masculine paradigm; “The traveler was a young man, twenty-five, or thereabouts; a well-built, firmly-knit fellow; not a Mexican, as his white face, yellow hair, and silken drooping mustache, curly over a well-shaped mouth, fully proved.”65

Described as an archetypal cowboy figure, Peyton was heavily armed: “Over his shoulder was slung a Spencer rifle, in a holster; suspended in a belt was a fine Colt’s revolver navy size; driven through the same belt—and, like the revolver, concealed from view by his coat—was a heavy keen-edged bowie knife.”66 The author exclaims that Peyton’s ornament was not unusual, for he was traveling in an area “where human life is little valued, and lawlessness prevails.”67 Indeed, Peyton’s life depended on his weapons and his ability to skillfully employ them. While living in a small town on the border between Texas and Mexico, Peyton was careful to keep his revolver on hand, remarking, “After nightfall, I never ventured to the plaza without my trusty revolver. I carried six lives at my belt, and felt secure.”68 In this passage, the revolver operates as a mechanism of power, a tool that could guarantee safety and control through mere possession. Peyton did not need to be born into a wealthy family to own this kind of power.

Duels played an important role in defining masculinity in adventure tales of the American West. General Merrick’s 1886 “Freebooters and Sharpshooters” climaxes with a duel between Percy, the protagonist cowboy character, and a villainous banker. When the banker and his drunken friends harass Percy’s sister Pansy, Percy challenges the banker to a revolver duel. Percy, a fine shot, easily defeats the banker and escapes El Dorado with Pansy and Dick—a young Englishman who befriends the siblings—falls in love with Pansy, and settles in the American West. “Freebooters and Sharpshooters” features two archetypal models of masculinity: Percy, the honorable yet modest American cowboy, and Dick, the young Englishman who is transported to the West by a deus ex machina and adapts to the adventurous environment.70

In tales of the American West, the revolver was both an extension of masculinity and a tool for taming the wild frontier. A crucial characteristic of a masculine hero was the ability to master the land and its “savage” inhabitants, and the Colt revolver was the most advanced tool of “civilization” the West had ever seen.71 Boys’ weeklies were filled with narratives about the cowboy’s defeat of “redskins,” “injuns,” “savages,” and other racially motivated terms for Native Americans; one would be hard-pressed to find an adventure tale of the American West that depicts Native Americans as victorious or honorable. Appearing in Sons of Britannia, written in 1873 by American author Ned Butline, “Dashing Charlie, the Texan Whirlwind, A Tale of Lasso, Lance, and Rifle” starred archetypal cowboy character Charlie, famous for his ability to vanquish Native Americans. In a very romantic scene, Charlie stealthily approached a group of Native American warriors, whose tribe had taken his woman captive and proceeded to pull out both of his revolvers:

As he fired his first shot, one leaped up and fell, the rest turned to fly, but an aim that never failed was on them, singling each in turn and before two hundred yards was passed, eight red men were on the ground, while he whose deadly aim has done the work, without checking his horse at all, rode maddly on towards the gorge where the white dress last fluttered to his eye.

This passage is paradigmatic in its treatment of Native Americans. Charlie’s defeat of eight “red men” is natural and effortless, as if the Native Americans had thrown themselves in front of his revolver shots. With a “deadly aim,” Charlie used just four shots with each revolver to overcome the savage foes, using his technological superiority to exploit and destroy his indigenous counterparts.

In this story, Native Americans are not only depicted as enemies; they are rendered as weak, un civilized, and less evolved, as illustrated in Figure 3. The illustration reveals the striking difference between the depictions of Charlie the cowboy and a Native American who he encounters. The Native American pictured is crouched lower to the ground and adorned very elaborately with tribal garb and a feather that mirrors
the palm trees of the untamed surrounding environment. The depiction of Dashing Charlie complicates our understanding of the masculine cowboy character. As opposed to the strong, perhaps coarse descriptions of Lieutenant Basil Payton, Charlie adopts an almost feminine pose and manner of dress with classic features and a relaxed stance more reminiscent of an English gentleman than an American cowboy. This depiction portrays Charlie as a clear contrast to the undomesticated looking Native American whom he encounters in the wilderness, which serves to align the protagonist with the audience of the boys’ weeklies.

Figure 3: “Dashing Charlie” draws his revolver. xvii

![Image: Dashing Charlie drawing his revolver.]

The revolver’s ability to exert technological superiority over indigenous populations resonated with British readers. By 1880, the British Empire had expanded to control more than 300 million people in colonies around the world. Prime Minister Benjamin Disraeli and supporters of his imperial foreign policy justified the expansion with paternalistic and racist views about the populations of the colonies, often alluding to the theory of evolution. Western stories about white men overcoming a wild terrain and its inhabitants with revolvers, rifles, and bowie knives supplemented the category of imperialist adventure tales. S. Dacre Clarke’s “On the War Path,” featured in The Boy’s Champion Paper in 1886, contained themes of racial and technological superiority. Hubert, a characteristic cowboy, leads a battle with a group of Sioux led by Chief Howling Wolf. Clarke describes the climax of the battle scene in gruesome detail: “At the same instant [Hubert’s] revolver spoke again, and the bullet cut off the middle finger of the left hand of the savage, clean from the knuckle joint, from which it hung suspended by the quivering muscles.” In the excerpt, Clarke’s diction suggests that the Sioux are more like bison or cattle than humans. By describing the “savage’s” wound as “hung suspended by the quivering muscles,” Clarke portrays a particularly violent and dehumanized picture of the dying Sioux chief. In the story, Hubert, a white American, takes great pleasure in ultimately defeating Howling Wolf, the “leader of the savages,” with another shot from his revolver.

Figure 4: Lone Wolf, the Apache Chief stalks his rival in the brush. xviii

![Image: Lone Wolf stalking his rival.]

English tales of the American West reflected important themes for their readers, from white imperial conquest to new masculine ideals and the eradication of social barriers. These stories transformed the experiences of boys from London’s East End into fantastic adventures on the western plains. These stories prepared many of their readers for the arrival of the most celebrated cowboy of the West, who would lead hundreds of sharpshooters, Native Americans, and cowboys through London’s streets in 1887. Buffalo Bill was coming, and he was carrying a fine Colt revolver.

PART III: THE REVOLVER AND BUFFALO BILL’S WILD WEST SHOW

Arriving in London in the summer of 1887, Buf-

xvii This image appearing in Ned Buntline’s 1873 “Dashing Charlie, the Texan Whirlwind” in Sons of Britannia reveals the striking difference in both the illustrations of Charlie the cowboy and a Native American he encounters. Charlie is taller, with classic features, and a relaxed stance that is reminiscent of an English gentleman. The Native American pictured is lower to the ground and adorned very elaborately with tribal garb.

xviii This illustration featured in Jayne’s 1873 “Lone Wolf, the Apache Chief” in Sons of Britannia depicts Lone Wolf, a masterfully skilled Apache chief, as hunched over and deformed. This imagining of an Apache chief is representative of imperialist notions that Native Americans were uncivilized and even less-evolved than Anglosaxons.
Buffalo Bill's Wild West Show built upon notions of the American West already present in the minds of British readers through the boys' weeklies. Although Britain had never seen a live rodeo, staged live entertainment was far from new in British culture. Victorian Britain experienced the expansion of live entertainment from elite theatres, opera, and sporting shows, only available to the social elite, to music halls and variety theatres, accessible to the middle and working classes. As inexpensive mass entertainment grew in availability and diversity, the Victorian era experienced the advent of circuses, freak shows, world's fairs, and the Wild West Show.  

When Buffalo Bill emerged as a quintessential cowboy hero in boys' story papers across London, he had already reached fame in the United States. William F. Cody appeared as “Buffalo Bill” in dime novels, story papers, plays, and rodeos from California to New York. Cody was the epitome of a shifting masculine ideal: handsome, brave, masterful on a horse, and skilled in shooting. He typically wore a wide-brimmed hat, sturdy leather garb, and he always carried at least one Colt revolver. In “The Scout Comrade of Buffalo Bill,” featured in The New Boys' Paper in 1887, Cody is described as a “young man, noble formed, clad in the picturesque buckskin garb worn by the hunter scouts of the far West, armed with knife, revolver, and rifle, and mounted on a splendid horse of mixed American and mustang stock.” In describing Cody as “noble formed,” the narrator appeals to the notion that he had an air of aristocracy, riding on a “splendid horse” and armed with the finest weapons in existence. For London's boy readers, the image of a handsome, well-armed man on a horse was associated with generals and landed gentlemen.

The cornerstone of Cody's masculinity was his skill with a revolver. Whether battling Native Americans or outlaws, Cody always defeated his foes in adventure stories published in Britain. One 1887 piece simply titled, “Buffalo Bill,” appearing in the The New Boys' Paper, describes Cody's duel with a Mormon at Green River in the Rocky Mountains. According to the narrator, the duelers and the spectators were all “armed with yagers and Colt's revolvers...” It was described as a typical Western shootout, with Cody and his Mormon rival standing about thirty paces apart in a small wooden town. The Mormon, described as clumsy and foolish, fired the first four shots, which came dangerously close, while Cody stood still. “Then he suddenly threw his revolver to a level, and drew trigger. At the flash, the man fell, shot in the leg, and the duel ended.”

For London's boy readers, Cody was the essence of masculinity, with his strong and handsome physique, cool composure, and deadly aim with a revolver. Figure 6 illustrates a battle scene in “Buffalo Bill! His Life and Adventures in the Wild West,” during which Cody injures a traitor in his ranks and advances to defeat his main opponent, the Wyoming Native American chief. As he advances out of the blurred background, Cody appears strong, courageous, and strikingly bathed in light, as compared to the Native Americans and the other white men around him in shadow.

However, Buffalo Bill was much more an imagined figure of the West than a real frontiersman. Historians speculate that very few of his accounts of Western adventures are factual, and even fewer stories written about him by others are based in reality. XX Born in 1846, Cody lived in Iowa, Canada, Kansas, Wyoming, Colorado, and traveled to many territories across the American West. Following his father's death, Cody's family suffered financially, and he went looking for work as a Native American scout. While there are few documents that validate Cody's career before show business, he claimed to have had many...
jobs, including a buffalo hunter (where he got the nickname Buffalo Bill), gold miner, Pony Express rider, stagecoach driver, and Native American tracker. There is evidence to support Cody’s service in the Civil War and in the Third Cavalry in the Plains War, for which he was awarded a Medal of Honor.

For all of his authentic experiences in the West, Cody’s true calling was as a stage performer because he was handsome, charismatic, and, most of all, a cowboy. In 1972, Cody first appeared on stage alongside his friends Texas Jack and “Wild Bill” Hickok in “The Scouts of the Prairie,” an early Wild West Show staged in Chicago. Cody went on to create his own show, Buffalo Bill’s Wild West Show in 1883, which toured around the United States for four years, demonstrating horsemanship, sharpshooting, and Native American rituals. Cody established himself as a celebrity in eastern cities like New York, Philadelphia, and Baltimore, where he befriended politicians and businessmen, attended balls, and assimilated into elite society. His political connections with Kansas Representative Charles Jones eventually bought him an opportunity to take his show overseas. Cody had always had his sights on London, the economic and cultural capital of the industrializing world.

From the Wild West to Windsor

Emerging forms of live entertainment, while diverse, were joined by common themes of spectacle, identity, containment, and imperialism. In Acts of Supremacy: The British Empire and the Stage, J.S. Bratton writes that notions of imperialism pervaded British theatre from the mid-nineteenth century until World War I. She says that “the stage offered a framed and bracketed space in which license, violence, irresponsibility, physicality and other such enjoyable but antisocial acts or sensations could be savored and then rejected and denied.” Bratton points to the 1880 exhibition of daughters of defeated Catewayo, a Zulu king, at the Royal Aquarium to demonstrate the influence of imperialist notions on live entertainment as Britain’s empire expanded. British audiences were obsessed with images of “The Other,” ranging from African princesses to Indian laborers and Native American warriors.

Cody’s chance to take the British stage came in 1887, when John Robinson Whitley organized the American Exhibition in London to coincide with the Golden Jubilee of Queen Victoria. To plan the novel exhibition, Whitley traveled to the United States many times and enlisted the help of President Grover Cleveland. During one of his trips to Washington, D.C., Whitley saw the performers of Buffalo Bill’s Wild West Show parading down the street from his hotel window. He went to see the show, after which he induced Cody to sign for his first European tour, with London as the setting of his international debut. Members of the Wild West Show included more than a hundred American Indians—Sioux, Cheyenne, Kiowa, Pawnee and Ogallala—with their wives and children, and 150 assorted cowboys, cattle herders and Mexican prairie riders, as well as Annie Oakley, the famous female sharpshooter. The show’s organizers also managed to transport 170 bronco horses and American Indian ponies, buffaloes, wild Texas steers, mules, elk, deer, a dozen ‘prairie schooner’ wagons, and, of course, the famous Deadwood stagecoach across the Atlantic for the show.

Buffalo Bill’s Wild West show made its first appearance in the United Kingdom in June 1887 at the newly constructed showground adjacent to the American Exhibition at Earl’s Court, which displayed American art and manufactured products, including a replica of the Statue of Liberty, to attract businessmen who might invest in American products. Just thirty-six years after the American display failed to make an impression at the Great Exhibition, Londoners were anticipating the grand exhibition of exclusively American inventions and products. Strategically planned to take place during a monumental celebration of Queen Victoria’s fiftieth year on the throne, the exhibition was guaranteed to attract a crowd and maybe the crown.

The first performance of the Wild West Show drew some notable spectators; the Prince and Princess of Wales, along with their three daughters, sat in the royal box. When the Prince signaled for the show to commence, a troop of cowboys, Mexican vaqueros, and “redskins” charged at full gallop and raced whooping and yelling round the immense arena, reenacting a Texas battle. “Thrilled, the royal party rose at the sight, Prince Edward leaning half out of the box.” What commenced was a two-hour show with Annie Oakley’s sharpshooting demonstration, a bison hunt, Pony Express reenactments, attack of stage coaches, Native American rituals, stunt riding, horse racing, and a reenactment of an attack on a settler’s cabin. Not accidentally, the show ended with a triumphant defense of white domesticity and settlement.
success; “by the end the royal party and performers alike were elated. The prince had remained standing—and often shouting enthusiastically for most of the ninety minutes.” Cody ordered the acts of the show strategically, placing Oakley’s act at the beginning of the show to ease the viewers into the startling sounds of gunfire. Historian Joy Kasson notes Cody’s tactical use of Oakley: “audiences who felt nervous when confronted with the noise and smoke of gunfire felt reassured when the saw a petite, attractive woman shooting first.”

Oakley played a critical role in shaping an image of the American West that could attract a wide range of audience members. While it is difficult to imagine that Victorian women would be attracted to the violence of the Wild West Show, Cody carefully marketed his show to families, and Oakley was a brilliant marketing tool. Although not a true woman of the West, Oakley developed an astonishing skill with firearms, which propelled her to stardom. While she was passionate about training other women to use guns, Oakley denied affiliating with early feminist movements and appeared to conform to Victorian gender roles through her ladylike demeanor and love of flowers. Moreover, during her performances, she curtsied, blew kisses at the crowd, and intentionally tripped over her own feet to make the acts seem more difficult. Oakley’s presence in the Wild West Show rendered it an appropriate form of family entertainment that women could enjoy while obeying the strict gender codes that dominated urban Victorian society.

For all of her attempts to fit into Victorian ideals of femininity, however, the foundation of Oakley’s career was built upon defying gender roles. A female sharpshooter was a novelty, and Oakley had a better shot than any man. According to gender historian Lisa Bernd, “Oakley embodied the tension between Victorian mores and modern progress for women.” For the many female viewers who attended the Wild West Show, Oakley signified the ability of a woman to excel in a male-dominated arena and achieve celebrity status for something other than appearance and aristocratic standing. Bernd claims that Oakley “represented not only the physical freedom demonstrated in the stunt, but the freedom to travel, pursue a career and, perhaps most important, the freedom from restrictive Victorian dress.” After all, Oakley could not hurdle over tables and balance on galloping horses in a corset and petticoat. Wearing boots and loose fitting dresses that hit above the ankle (see Figure 6), Oakley aided the dress reform movement, which was gaining strength in Victorian London. Laura Ormiston Chant, a feminist and dress-reformer, was walking along the streets of West London on her way to the Wild West Show when she experienced sexual harassment. Chant was far from the only woman to see the Wild West Show on her own—many Victorian women ventured to the show solo, a privilege previously not permitted by societal standards. Oakley’s involvement made the Wild West Show a respectable form of live entertainment for women to see alone, and her loose fitting dresses represented shifting forms of femininity.

Figure 6: An illustration of Annie Oakley’s shooting act

While Oakley’s ability to represent changing gender roles may have resonated with some female viewers, it did not have positive receptions among many Victorian women. A female journalist covering the Wild West Show for the Newcastle Weekly Courant remarked that Oakley’s performance was impressive, but did not prove gender equality. She remarked, “such women are well calculated to justify the opinion that our sex is physically as well as mentally the equal of man, an opinion I certainly do not share.” Such an opinion shows that gender equality was indeed a trending topic of discussion in Victorian media, and would continue to be a highly contested debate in the coming years. Oakley may have denied being a femi-

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xxi Oakley was born in Ohio to Quaker parents from Pennsylvania. After her father died, Oakley learned to hunt and trap game to support her family. She became famous locally for her amazing skill with a rifle, and began performing professionally at age 15. Lisa Bernd, “Annie Oakley and the Disruption of Victorian Expectations,” Alabama Review, Vol 63 Issue 3 (2012), 43.

nist, but her performance was proof that women could control guns, man’s favorite tool of masculinity.

Oakley gained one very powerful female fan. After hearing her son’s rave reviews, Queen Victoria called for a special showing of the Wild West Show. She also called for private meetings with Chief Red Shirt and Annie Oakley, whose sharpshooting particularly impressed the Queen. Victoria had declined to attend public events since the death of the Prince Consort twenty-six years prior, so for her to attend an American performance was quite significant. Victoria gave a deep bow to the American flag when it was carried into the arena and introduced as an emblem of peace and friendship, sealing the bond in Anglo-American relations. In his autobiography, Cody comments on this moment:

As the standard bearer waved the proud emblem above his head, Her Majesty rose from her seat and bowed deeply and impressively toward the banner. The whole court party rose, the ladies bowed, the generals present saluted, and the English noblemen took off their hats. Then—we couldn’t help it—but there arose such a genuine heart-stirring American yell from our company as seemed to shake the sky. It was a great event. For the first time in history, since the Declaration of Independence, a sovereign of Great Britain had saluted the star spangled banner, and that banner was carried by a member of Buffalo Bill’s Wild West.

Only one hundred years after the American Revolution, the British throne bowed to an American flag, suggesting that the relationship between the two nations was characterized not only by peace, but also by respect. On June 20, 1887, Queen Victoria called for another command performance for her Golden Jubilee celebrations, which were attended by fifty foreign royals and many British dignitaries.

Like the Great Exhibition, the Wild West Show not only captivated the British elite, it enthralled the general public as well. With the lowest admission rate at half a shilling, many members of British middle and working classes could attend. A reporter attending the show recalled his first impressions: “…we could not help being struck by the effectiveness of the scene before us…The part of the entertainment most novel to Londoners was undoubtedly the riding of the ‘bucking’ horses…they all showed what a rebellious demon there is in a half-broken horse who has lost his fear of man.” With the industrialization of the British economy, Victorian Britain did not have vast stretches of untamed land. Horses were highly trained to serve their owners, and workers were highly trained to serve their industry. Even the aristocracy was entrenched in deep-rooted social roles. For its British viewers, the Wild West Show exhibited a world that had not yet been fully civilized and one that needed taming, where “rebellious demon” horses and “demonic-yelling” Native Americans still roamed. It provided a display of white man’s ability to control and contain a world far less civilized than his own. In a city where the largest piece of open space was Hyde Park—and even that was designed and groomed to fit the needs of urban elites—the Wild West Show offered a glimpse of a fantastical life, where every man is responsible for his own protection with only the revolvers in his holster.

The Wild West Show was both entertainment and containment. It displayed the wild and untamed inhabitants of the frontier only within the confines of an arena, under strict guard by American cow-

Figure 7: Buffalo Bill bows for Queen Victoria.
boys. After describing the attack on a settler’s cabin, the final scene of the show, an article in The Era notes that the “Redskins” used “barbarian tactics” and were easily defeated by the “brave, ever-ready cowboys.” It goes on to remark, “the redskins, we believe, are pretty well confined nowadays to Indian territory, and are reduced to at least, an outward ‘friendliness.’” This article reveals an attitude that white American men had successfully conquered the Native Americans, enclosing them in reservations and remote areas. Historian Louis S. Warren notes the irony that Buffalo Bill’s Wild West Show was the “ultimate containment of savagery: its scripting into public amusement, its packaging as a safe, respectable entertainment, and its marketing as a commodity.” The show mirrored Britain’s colonies—or at least what imperialists hoped to achieve in its colonies—and with the growing immigrant population in London, perhaps the show mirrored the East End as well. Buffalo Bill provided the promise of mastery over native populations, of a prevailing Anglo-Saxon race, and of masculine perfection.

Buffalo Bill’s Wild West Show was enormously successful, making Cody an international celebrity and an American icon. American newspapers revered the Wild West Show as one of the first and most significant genuine American cultural exports to Great Britain. Before Cody decided to take his show to London, Mark Twain wrote him a letter encouraging him to use the Wild West Show as a form of cultural exchange: “It is often said on the other side of the water that none of the exhibitions which we send to England are purely and distinctly American. If you will take the Wild West show over there, you can remove that reproach.” While the Wild West Show may have been the first physical appearance of cowboys in Britain, it was not the first manifestation of the American West in British culture. Buffalo Bill “took [the American] West out of the boy’s stories and travel books and gave it new, fabulous life.” But he would not have been able to do this without the Colt revolver.

CONCLUSION

From the Great Exhibition to children’s literature and live entertainment, the Colt revolver carried important connotations: eradication of social barriers, new characteristics of masculinity, and white imperial conquest. For British spectators, readers, and audi-ence members, the American West represented a land of adventure and possibility, but also of white hegemony and the successful containment of a supposed wild frontier and its non-white inhabitants. While scholars have discussed the revolver as an important figure in American industrial progress, no scholar has examined the Colt revolver’s very important role in shaping imagination of the West for British popular culture.

The success of the Colt revolver as a cultural symbol long after it disappeared from the British market can be explained by its association with technological innovation, power, masculinity, and the American West, all of which were implanted in British imagination by Samuel Colt. Many social movements account for the popularity of the revolver and the West: the growth of industry and technology, the rise of exhibition culture, the Victorian transformation of masculine and feminine ideals, the development of boys’ weeklies (due to increasing literacy rates, reduced printing costs, and the veneration of childhood and adolescence), the rise of mass entertainment, and racial anxieties stemming from the expanding British empire and growing immigrant populations in urban London. These cultural and social changes worked together to create the ideal atmosphere for the American West to become an important cultural setting, and for its characters to become infamous cultural figures throughout Britain.

The Wild West Show was not the advent of cowboys in London, but the culmination. The revolver did not single-handedly Americanize British culture, but it did play an integral role in representing the American West in British culture, decades before the huge popularity of Buffalo Bill’s Wild West Show in 1887. By tracking Colt’s invention through Victorian London, we can understand how the revolver, intimately linked to popular imaginings of the West, operated as a compelling cultural symbol of American democracy, masculinity, and hegemony. Moreover, the story of the Colt Revolver exposes insights into the disparity in gun culture and ownership between the United

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xxiv Some crucial actors on the story of the Colt revolver – notably women and Native Americans – were underrepresented in secondary literature and primary sources, such as newspapers and periodicals. Annie Oakley held a critical position in the story of the revolver, transforming it from a symbol of masculinity to a badge of American womanhood and elevating the Wild West Show to a respectable form of family entertainment. With more time and resources, I could create a more comprehensive analysis of the role of Oakley and other women in the shaping of American cultural identities in Victorian Britain. This thesis is strategically confined to tracing the narrative of the Colt revolver, but further examination of earlier representations of the American West could contribute to understanding how the West became an important cultural setting in Victorian popular imagination.
States and the United Kingdom and reveals the potency of American cultural exports to Britain. The Colt Revolver could very well mark the beginning of the Americanization of British popular culture, a trend that continues into the modern day.

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THE EFFECT OF MICROCREDIT ON STANDARDS OF LIVING IN BANGLADESH
SHAFIN FATTAH, PRINCETON UNIVERSITY (2014)

ABSTRACT
This paper asks a simple question: do microcredit programs positively affect the standard of living of poor households with little or no land ownership? Access to credit at favorable terms is likely to increase the number of economic opportunities available to a rural household. I use a fixed effect regression model to explore panel data on 855 households from Bangladesh compiled from an extensive household survey conducted between 1991 and 1999. I explored seven representative measures for different aspects of standard of living: household per capita weekly non-food expenditure, household per capita weekly food expenditure, household non-land asset ownership, household female non-land asset ownership, household landholding, highest number of years of education of any household female, and highest number of years of education of any household male. The results suggest that microcredit program participation had positive impact on per capita food expenditure, landholding, and women’s ownership of non-land assets. Microcredit seems to have had no significant, positive impact on overall household non-land asset accumulation and educational attainment.

1. INTRODUCTION
Microcredit, the act of giving very small, unsecured loans to poor households with very limited resources to promote an increase in income generating activities, has recently been championed as a tool for eliminating extreme poverty. The concept, in its modern form, was first practiced in the 1970s in Bangladesh, then a very poor underdeveloped country. BRAC, currently the largest global non-governmental organization, and Grameen Bank, a pioneering Bangladeshi microcredit institution, both contributed to this early implementation of microcredit. Since then, the concept has spread across the world to many developing and developed countries. Influential personalities from around the world, including former U.S. President Bill Clinton and former U.N. Secretary General Kofi Annan, have long promoted the work of microcredit institutions. Grameen Bank and its founder Muhammad Yunus went on to win the Nobel Peace Prize in 2006 for their efforts in fighting poverty in Bangladesh. Furthermore, the United Nations declared 2005 the International Year of Microcredit. Microcredit institutions have even gained popularity in the United States. Grameen America, one of the recent microcredit institutions founded by Muhammad Yunus, currently operates in six American cities and has already disbursed over $100 million worth of credit to approximately 18,000 borrowers from below the poverty line.

Microcredit, as practiced in Bangladesh, provides small institutional credit with reasonable terms (i.e. interest rates lower than those charged by local informal moneylenders) and little or no collateral requirement to poor people who would normally not have access to conventional banking and financial institutions. In doing so, it allows the poor to expand the scale of their economic activities to lift themselves out of poverty. For example, it permits borrowers to start new businesses and to expand existing income generating activities, consumption of necessities, and ownership of capital goods.

The popularity of microcredit has encouraged some in-depth analysis of the extent to which microcredit improves the standard of living of the poor people. “Standard of living,” in the context of this paper, refers to the level of wealth and material comfort available to households. This question is a timely one as more resources are channeled to microcredit every year, typically in developing countries like India and Bangladesh, where a significant proportion of the world’s poorest people live. This paper will define “extremely poor households” as those with very little
or no land ownership prior to joining a microcredit program. I use this definition because ownership of land improves households’ capacity to benefit from economic opportunities in a small, densely populated country like Bangladesh. As of June 2011, 576 microcredit institutions have gathered savings worth $822.96 million from 26.08 million clients and had outstanding loans worth $2,259.37 each from 20.65 million borrowers across Bangladesh. As the sector grows, it will draw in more funds. At the same time, it will incur a growing opportunity cost, as these funds will be diverted away from conventional poverty alleviation projects such as improving rural schools and developing village infrastructure.

In this paper, I consider whether microcredit improves the living standard of households in extreme poverty in Bangladesh. This paper focuses on Bangladesh because it has some of the largest and most established microcredit outreach programs in the world. Moreover, it is one of the few countries in which a large-scale, publicly available household survey measuring the impact of microcredit covered samples from all seven of the country’s divisions and not from only a particular region. The survey also covers a time period during which the majority of the population was still involved in farming activities. Microcredit programs today typically target this type of population in underdeveloped countries.

This paper will use a fixed effect regression model with time-invariant and village-time-invariant fixed effects to analyze representative measures of the seven different aspects of standard of living. The model will draw from panel data on rural households collected from four rounds of surveys conducted by Bangladesh Institute of Development Studies (BIDS) and World Bank between 1991 and 1999. In doing so, the paper will assess the impact of microcredit on poor households which had very little or no land ownership prior to joining a microcredit program to see whether there is empirical evidence to conclude that microcredit significantly improves the standard of living of extremely poor households in Bangladesh.

2. THEORY

Access to microcredit at a reasonable interest rate without any collateral requirement is likely to relax the borrowing constraint faced by poor households with little or no access to formal banking services. As a result, these households with little or no land ownership will be able to use the credit to expand their existing income generating activities or start new ventures. Hence, I expect to see a positive impact of microcredit program participation on consumption expenditure, asset accumulation, and education attainment of these households.

The loan repayment rates of these programs are high, 98% in case of Grameen Bank. This indicates that the poor households experience enough increase in income to repay the principal with interest in Bangladesh. If they generate enough return from activities in which they primarily invest their microcredit, these households will see a positive impact on consumption, asset accumulation, and education attainment. However, it is also possible that households in extreme poverty do not necessarily benefit from microcredit program participation; the added burden of loan repayment may hinder them from sufficiently expanding their income-generating activities to escape from subsistence. In other words, the return generated from microcredit may not be large enough to accumulate significant amount of assets when loan repayment is taken into account. As a result, such poor households may not see a significant impact of microcredit program participation on land or non-land asset accumulation or on education attainment and at best see a positive impact on consumption expenditure alone.

The impact of microcredit program on the standard of living of poor households with little or no land ownership must consequently be determined by investigating whether microcredit program participation had a significant positive impact on variables pertaining to household consumption expenditure, landholding, non-land asset accumulation and education attainment over time. This will reveal which of the two possible natures of microcredit impact the data presents. If we do see any positive impact of microcredit on household wealth accumulation and consumption, we may infer from the data that microcredit improves the standard of living of extremely poor households. However, if we observe no such evidence, we may infer that returns from microcredit usage have not been large enough to significantly improve standard of living.

3. LITERATURE REVIEW

One of the most significant obstacles to analyzing the impact of microcredit in developing count-

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1 Divisions are a form of administrative units in Bangladesh. They are analogous to states in the United States and other countries.
tries like Bangladesh has been the scarcity of publicly available data. Most empirical studies concerned with identifying the impact of microcredit in Bangladesh rely on data from BIDS-World Bank surveys from 1991 to 1999. Khandker and Pitt (1998) used this data to conduct one of the first influential studies on the impact of microcredit in Bangladesh. Using cross-sectional data from the 1991-1992 part of the survey, they showed that credit is an important factor in determining the level of several household variables like household food expenditure, education of children, labor supply and non-land assets owned by women. Khandker and Pitt (1998) further demonstrated that microcredit had a larger positive impact on households when women were the principal borrowers in the families.

Pitt, Khandker, and Cartwright (2006) next used cross-sectional data from the 1998-1999 segment of the survey to show that female participation in microcredit program promotes women's empowerment and influence in their respective households and societies. They used a large set of qualitative responses of women in the survey that indicated their level of influence in family matters to form proxy indicators. They subsequently tested the hypothesis that microcredit participation was "an empowering experience" for women. Their results showed that female participation in microcredit programs increased their decision-making roles in families, social networking, and access to resources and facilitated geographical mobility. The initial analysis of the BIDS-World Bank household survey was cross-sectional in nature and included all the households in the survey to see whether microcredit programs had a greater impact on women than men. These analyses also asked whether credit was important in determining the levels of different measures of household standard of living.

Further studies revealed negative effects of microcredit programs in Bangladesh. In a recent study, Islam and Choe (2013) used the data from the 1998-1999 part of the BIDS-World Bank household survey to explore the human capital formation of families borrowing from microcredit institutions. The study suggested that participation in microcredit decreases school enrollment and increases child labor as families often employ their children to expand their income-generating activities after borrowing. Moreover, Islam and Choe found this negative impact on education and child labor more pronounced for girls than for boys in families participating in microcredit programs.

Khandker (2005) was one of the first to utilize both the 1991-1992 and the 1998-1999 household survey as panel data to show that microcredit both reduces poverty among borrowers and benefits non-participants by raising local income in microcredit program villages. This study also suggested that credit again had a disproportionately positive impact on female borrowers over male borrowers. This was consistent with his past studies that utilized cross-sectional data from the 1991-1992 and 1998-1999 segments of the survey.

Islam et al. (2013) drew a similar conclusion when they examined the performance of four of the biggest microcredit institutions in Bangladesh using a 2011 private survey of 200 households that are members of these institutions. The study argued that there has been continuous improvement in parameters like food consumption, health, standard of living and total household expenditure. Although this new survey covered impacts of two of the programs included in the BIDS-World Bank survey, BRAC and Grameen Bank, it only focused on a small region in southern Bangladesh and so cannot be assumed to be representative of the entire population. Moreover, the study paid little attention to record the initial wealth of the households in the survey, such as land ownership, prior to joining a microcredit program. This makes it difficult to generalize the conclusions to all extremely poor households.

The research on microcredit programs in Bangladesh used different rounds of the BIDS-World Bank survey or other private surveys as cross-sectional data to focus on broadly answering how microcredit has influenced parameters like per capita consumption and women empowerment. This paper will seek to contribute to the existing literature by searching for the answer to one of the most important public policy questions: can microcredit help improve the standard of living of the extremely poor? To do so, I will use the BIDS-World Bank survey as a source of panel data in this paper to explore the impact of microcredit on a household over time.

The microcredit institutions investigated in this paper then used a loose criterion of land ownership (less than 0.5 acres or fifty decimals, roughly 21,775 square feet) to determine eligibility of households
to participate in microcredit. Even fifty decimals is a significant amount of land for cultivation, rearing livestock, and taking collateral-backed loans from local moneylenders in a densely populated, developing country like Bangladesh.\textsuperscript{21} It is very important to investigate how microcredit programs have benefitted the segments of the population with little or no land ownership prior to joining a microcredit program. An answer to this question will help policymakers decide how to better use funds when fighting extreme poverty in very poor rural communities in countries like Bangladesh.

Verdicts on the impact of microcredit on such poor populations in other countries have been mixed thus far. Banerjee et al. (2013) used a randomized evaluation to investigate borrowers from slums in Hyderabad, India. The results showed that there was no statistically significant effect of microcredit on average monthly per capita expenditure, consumption, health, or education within a treatment population fifteen to eighteen months after the introduction of a microcredit program.\textsuperscript{22} Crepon et al. (2014) also used a randomized evaluation to determine the impact of microcredit in remote areas of Morocco to observe that microcredit did not bring any net positive impact on labor income and consumption.\textsuperscript{23} On the other hand, Noreen et al. (2011) observed a positive impact of microcredit program participation on household expenditure and children's education when investigating households from four prominent microcredit programs in Pakistan.\textsuperscript{24} However, microcredit did not seem to have any positive impact on housing condition, food consumption and household asset ownership.\textsuperscript{25}

4. DATA

As stated before, there is little publicly available data on the impact of microcredit in Bangladesh and other developing countries. Since I require a data set from an extensive survey that includes households from across the country, I will use the BIDS-World Bank household survey conducted between 1991 and 1999. The panel-data nature of the survey will allow me to observe changes in the same sample units over time. At the same time, it will allow me to take time-invariant and village-time-invariant fixed effects to account for unobserved countrywide changes over time as well as unobserved differences across villages that remain more or less constant over time. Moreover, this particular survey was conducted at a time in rural Bangladesh when it was still a very underdeveloped economy with a small manufacturing sector. At that time, most of the population was involved in low-productive agricultural activities, exactly the type of population I am trying to investigate in this paper. I will first briefly describe the survey itself before explaining which subsample of the survey I will use in my research.

4.1 BIDS-World Bank Household Survey

The BIDS-World Bank extensive household survey, which measures the impact of microcredit in rural Bangladeshi households, was conducted between 1991 and 1999. The four-round survey focused on three of the major microcredit programs in Bangladesh: Grameen Bank, BRAC, and the Bangladesh Rural Development Board (BRDB). In the first round in 1991-1992, data was collected on 1,798 households from across the country. At first, 24 program and 5 non-program thanas were selected from 391 rural thanas in Bangladesh. A thana is an administrative unit under a division in Bangladesh that contains a number of villages. It should be noted that all twenty-four of the thanas had at least one microcredit program in place for at least three years prior to the first round of survey. Next, three villages were randomly selected in each thana and a total 1,798 households were randomly selected from these villages. Three rounds (waves) of extensive surveys were conducted on these households during 1991-1992. In these surveys, the households answered questions about expenditure, loans, landholdings, food consumption, and education, among other factors. Round 1 was conducted between November 1991 and February 1992 during the Aman Rice harvest season, the largest harvest season in Bangladesh. Round 2 was conducted between March and June of 1992 during the Boro Rice harvest season. Round 3 was conducted between July and October of 1992 during the Aus Rice harvest season. These households, identified by unique numbers, were revisited between 1998-1999, when only 1,638 households were available for re-survey. The 1,638 available units included in the survey could be roughly divided into five types in 1991-1992:

i) Households in program villages that were eligible to borrow due to owning less than 0.5 acres of land and that borrowed at least once from a microcredit program.
ii) Households in program villages that were eligible to borrow but chose not to borrow.

iii) Households in program villages that were ineligible to borrow as they owned more than 0.5 acres of land.

iv) Households in non-program villages that owned more than 0.5 acres of land and so would have been ineligible to borrow if a program existed in the village.

v) Households in non-program villages that owned less than 0.5 acres of land and would have been eligible to borrow if a program existed in the village.

It should be noted here that the program thanas were actively selected by the microcredit programs and were not randomly assigned. This is likely to give rise to village selection bias where the microcredit programs may have set up programs in thanas that had more probable and reliable borrowers. In addition, once they met the eligibility criterion, households self-selected into the program. As a result, there is also a possibility of self-selection bias in the data. I will discuss this further in sections 5 and 6.

4.2 Sampling Units to Be Used in This Paper

For the purposes of this paper, I will focus exclusively on types i, ii, and v and further reduce the size of the sample units used by only choosing those households which had less than twenty decimals (0.2 acres) of land prior to joining a microcredit program. Because fifty decimals of land is still a significant amount of land for a household in Bangladesh, I use twenty decimals as the cut-off target to ensure that there will be a sufficient number of observations in the study to perform statistical and econometric inference, as I will be using several control variables and time-invariant and village-time-invariant fixed effects.

Eight hundred fifty-five households from the 1,638 households surveyed in all four rounds fit the criteria specified above for the purpose of this study: seven hundred households from program thanas and one hundred fifty-five households from non-program thanas. A program thana had at least one microcredit program in place before the first round of survey in 1991 while a non-program thana had no microcredit program in place during the first three rounds of survey. However, each had at least one microcredit program in place by 1998-1999.

All five non-program thanas from 1991 to 1992 had a microcredit program in place by 1998-1999. However, I will still refer to them as non-program thanas throughout this paper for convenience. As a result, the households involved in my research can be split into the following five different categories as displayed in Table 1. Categories 2, 3 and 5 will be used as treatment groups as households in these categories received microcredit. Categories 1 and 4 will be used as control groups as households in these categories did not receive any form of microcredit.

<table>
<thead>
<tr>
<th>Categories</th>
<th>Category of Households</th>
<th>Number of Households</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Number of households in program thanas that did not borrow from microcredit programs (Thanas 1-24)</td>
<td>162</td>
</tr>
<tr>
<td>2</td>
<td>Number of households in program thanas that started borrowing from microcredit programs before Round 1 (Thanas 1-24)</td>
<td>431</td>
</tr>
<tr>
<td>3</td>
<td>Number of households in program thanas that started borrowing from microcredit programs after Round 1 (Thanas 1-24)</td>
<td>107</td>
</tr>
<tr>
<td>4</td>
<td>Number of households in initially non-program thanas that never borrowed from microcredit programs (Thanas 25-29)</td>
<td>90</td>
</tr>
<tr>
<td>5</td>
<td>Number of households in initially non-program thanas that borrowed from microcredit programs after Round 3 (Thanas 25-29)</td>
<td>65</td>
</tr>
<tr>
<td></td>
<td>Total number of households used in investigation</td>
<td>855</td>
</tr>
</tbody>
</table>

Table 1: Number of Households in Different Categories

Since no single variable will provide a perfect measure of a household’s standard of living, I will use proxy measures of standard of living available in the Roodman-Morduch data set. In this paper, I investigate the following seven variables: household per capita weekly food expenditure, household per capita weekly non-food consumption expenditure, household non-land asset ownership, household female non-land asset ownership, household landholding at the time of survey, highest number of years of education completed by any male member of household, and highest number of years of education completed by any female member of household. The first three variables will be good representative measures to investigate the material well-being of the households in question. Household female non-land asset ownership serves as a proxy measure to investigate the material well-being of female members of a household. I use household landholding at the time of the survey as a proxy for long-run wealth accumulation. Lastly, highest number of years of education of any male and female member of household will be used as a representative measure to analyze the impact of microcredit on education attainment of the family. As a result, we will be able to see how microcredit impacts both the short-run and the long-run standard of living of households in terms of consumption expenditure, wealth accumulation, and education attainment.

Tables A3 to A9 in the appendix show the progression of means of the dependent variables of interest in this research for both the target and the control groups from 1991-1992 to 1998-1999. The data presented in these tables suggest that an average household with little or no land which took microcredit tended to see a smaller growth in most of the dependent variables of interest compared to those which did not participate in a microcredit program over time. However, we cannot readily conclude that microcredit does not have a positive impact on standard of living of these households without a thorough analysis of each of these variables over time while controlling for possible differences arising from household and village characteristics.

5. METHODOLOGY

Because the survey draws from panel data, a fixed effect regression model with time-invariant and village time-invariant fixed effects is suitable to analyze the data on 855 households that fit the criteria specified in this paper. In panel data, multiple measures pertaining to the same sample units, in this case the households, are recorded over multiple time periods. These fixed effect regression models will have seven parameters pertaining to household standard of living as their dependent variables. These variables are: household per capita weekly food expenditure, household per capita weekly non-food consumption expenditure, household non-land asset ownership, household female non-land asset ownership, household landholding at the time of survey, highest number of years of education completed by any male member of household, and highest number of years of education completed by any female member of household. As mentioned previously, these variables will allow me to investigate the impact of participation in microcredit programs on the standard of living of households with little or no land ownership in terms of consumption, wealth accumulation, and education attainment over time. For example, household per capita weekly food expenditure is a good proxy measure of the improvement in nutrition intake of rural families while household ownership of land and non-land assets at the time of survey will be good measures of wealth accumulation over time. These particular choices of dependent variables will be discussed in greater detail later. Before that, I will briefly outline the fixed effect regression model.

5.1 Fixed Effect Regression Model

An example of a typical fixed effect regression I use on the data takes the following form:

\[ Y_{ijt} = \beta_0 + \beta_1 X_{ijt} + \Omega M_{jt} + \mu_2 N_{ijt} + B_j + Y_t + u_{ijt} \]  \hspace{1cm} (1)

Here, \( Y_{ijt} \) is the dependent variable, representing a value such as household per capita weekly food consumption in \( i \)th household of \( j \)th village in \( t \)th time period. \( X_{ijt} \) is a vector of individual household characteristics, such as number of household members or highest level of education attained by household head. Similarly, \( Z_{jt} \) is a vector of village-level characteristics for \( j \)th village in \( t \)th time period such as the presence of a primary school, and price of rice (a proxy measure of price level in village). \( \beta_1 \) and \( \Omega \) are vectors of
unknown parameters that must be determined after running the regression. The variables included in vectors $X_{ijt}$ and $Z_{ijt}$ will be discussed in greater depth later. $M_{ij}$ is a binary variable that is one if the village has at least one microcredit program in place and zero otherwise. $N_{ijt}$ will also be a binary variable, which takes a value of one if the household was a member of a microcredit program at any point in time, and takes a value of zero otherwise. $B_j$ accounts for village-level time-invariant fixed effects while $Y_t$ accounts for time-fixed effects. $u_{ijt}$ will be assumed to be a non-systemic error with mean zero. $B_0$ acts as the regression constant.

$\mu_1$ is a crude measure of the effect of the presence of a microcredit institution in a village on a household with very little or no landholding. $\mu_2$ indicates whether a household’s decision to participate in a microcredit program has an impact on the standard of living parameters used as dependent variables. Thus, a crude measure of the average impact of microcredit program for an extremely poor household can be determined from the sum of these coefficients, i.e., $\mu_1 + \mu_2$.

Use of control variables and fixed effects is crucial in this paper since I am examining the impact of microcredit on households, holding other important factors constant. Introducing control variables for individual household characteristics is very important as households vary in terms of level of human capital, number of members, and access to alternate borrowing sources such as relatives or other informal lenders, among other factors. Using control variables for villages is also important as each of the villages has different characteristics. The section on dependent and control variables discusses these control variables in greater detail. It should be noted here that I was limited in my choice and employment of control variables. The Roodman-Morduch data set does not record values of all variables for all four rounds of survey. Additionally, many of the control variables did not vary over time for individual villages; thus, they were already indirectly taken into account when using village time-invariant fixed effects. If at least some of these time-varying characteristics are not taken into account, the model might pick up impacts of these characteristics incorrectly as impact due to presence of microcredit programs. Time-fixed effect is also crucial as it partially captures unobserved changes over time that affected all households more or less equally at any time period, such as changes in nationwide government policies or agricultural subsidies. Use of a binary variable to take into account whether a household has ever participated in a microcredit program is sufficient for the purposes of this paper as I am only investigating whether the data suggest that microcredit has a positive impact on household standard of living. The precise size of that impact is not important to measure for my purposes.

I assume that the standard errors are heteroskedastic and thus calculate robust standard errors corrected for heteroskedasticity. I use village-level clustered standard errors, as the OLS standard errors are inappropriate for statistical inference here due to the strong possibility of correlation of the errors across observations over time in the same villages. Since the sampling units for the BIDS-World Bank household survey were not chosen by simple random sampling, sample weight for each household as specified by the BIDS-World Bank household survey is used to appropriately weigh the data when the fixed effect regression model is applied so that the regression results may provide a fairer representation of the rural population under investigation.

One of the biggest weaknesses of this fixed effect regression model is that microcredit programs are not randomly made available in a thana and households are not randomly assigned into the program. Instead, microcredit institutions actively select thanas; households self-select into the program once they meet the crude eligibility criterion of owning less than 0.5 acres of land. Hence, there are likely to be unobserved differences both between program and non-program villages, and between participant and non-participant households in the data. As a result, any suggestive impact of microcredit program participation picked up by our fixed effect regression model could partially be due to unobserved differences between participant and non-participant households and unobserved differences between program and non-program thanas.

The binary variable $M_{jt}$ may not be well defined in the data. This concern exists because the variation in $M_{jt}$ arises from changes in availability of microcredit programs between rounds three and four in only fifteen of the eighty-seven villages under investigation in the survey. As a result, there may not be sufficient variation in data to properly define $M_{jt}$ and subsequently isolate the impact of household location in a village with microcredit program. Hence, more
emphasis will be put on the coefficient of \( N_{ijt} \) during statistical and econometric inference of impact of microcredit.

As a result of these weaknesses, the fully identified model will be first used on all 855 households from all twenty-nine thanas to investigate the seven representative measures of different aspects of standard of living. I will assume that there is no unobserved difference between our control and treatment groups once household and village level controls are added to the model. However, this is certainly a weak assumption. Hence, I will next exclude the five non-program thanas lacking microcredit programs in 1991-1992, and investigate 700 households from twenty-four program thanas using the same fixed effect regression model. I will exclude only variable \( M_{jt} \) as it is always 1 across all 700 households for all four survey rounds. This restriction will at least remove the possibility of systemic unobserved differences between program and non-program thanas that affect my inference. However, it will still not solve the problem of unobserved differences between participant and non-participant households in the program thanas affecting my inference. Hence, I will have to rely on the weak assumption that there are no differences between program participants and non-participants beyond those factors controlled for in this analysis that may partially account for positive impacts of microcredit program participation picked up by the fixed effect regression model.

The regression model as specified in this section also treats all households equally regardless of the amount of microcredit borrowed. To tackle this problem and to better understand how positive impacts of microcredit are related to the amount of credit borrowed by households, I will next slightly modify the model applied on households from program villages to include three binary variables instead of \( N_{ijt} \) as shown below:

\[
Y_{ijt} = \beta_0 + \beta_1 X_{ijt} + \Omega Z_{jt} + \alpha_1 N_{1ijt} + \alpha_2 N_{2ijt} + \alpha_3 N_{3ijt} + B_{j} + \gamma_{i} + u_{ijt} \tag{2}
\]

Here, \( N_{1ijt} \) is a binary variable that is 1 if household had cumulative borrowing between Tk zero and Tk 10,000 up until the time of the survey round and 0 otherwise. Tk (Taka) is the currency of Bangladesh. \( N_{2ijt} \) is a binary variable that is 1 if the household had cumulative borrowing between Tk 10,000 and Tk 20,000 until the time of the survey round and 0 otherwise. \( N_{3ijt} \) is a binary variable that is 1 if the household had cumulative borrowing above Tk 20,000 until the time of the survey. The resulting coefficients \( \alpha_1 \), \( \alpha_2 \), and \( \alpha_3 \) will help us understand how borrowing different amounts of microcredit affected the dependent variables. We should expect \( \alpha_1 \) to have the smallest value and \( \alpha_3 \) to have the largest value among the three coefficients because the probable positive impact of microcredit on the dependent variables likely increases with the cumulative amount of microcredit borrowed until that point in time. The three binary variables pertaining to different levels of cumulative lifetime microcredit borrowing suffice for the purpose of this paper since I am only analyzing the possible impact of a rise in cumulative microcredit borrowing on the different dependent variables pertaining to household consumption, wealth accumulation, and education attainment. As seen before, \( X_{ijt} \) is a vector of individual household characteristics while \( Z_{jt} \) is a vector of village-level characteristics. \( B_j \) accounts for village time-invariant fixed effects while \( \gamma_i \) accounts for time fixed effects. \( u_{ijt} \) is assumed to be a non-systemic error with mean zero. Here, I will again assume that there is no systemic, unobserved difference between program participant and non-participant households.

5.2 Dependent and Control Variables

As stated before, the seven dependent variables to be investigated in this paper are representative measures of different aspects of standard of living of a rural household. I use consumption, asset accumulation, and education attainment, as I do not have access to any one variable or index that can capture all aspects of a household's living standard. Household per capita weekly food consumption will be a good representative measure of improvement in diet of a rural household whereas household per capita weekly non-food consumption expenditure tends to capture material well-being of a household in terms of consumption of durable and non-durable goods.

Household ownership of non-land assets and landholding at the time of survey are important measures of asset accumulation. Household ownership of non-land assets includes ownership of consumer durables like furniture, capital goods like farming and fishing tools and equipment, and precious goods like jewelry. One expects to see a positive impact of microcredit on these variables. Microcredit can be used to increase the scale of an existing income generating activity or start a new one by buying capital goods like...
tools and equipment unless the household decides to only use labor and land to scale up their income generating activities.

Household female ownership of non-land asset will be used as a crude proxy measure to investigate the economic well-being of women in these extremely poor rural households. At the same time, I will also use the highest number of years of education of a female member of household as a crude measure of education attainment of household female children in these poor households. This, together with highest number of years of education of a male member of household, will give us a better picture of education attainment in these households as one expects to see rise in education attainment with improving living standard.

As stated before, controlling for differences across household is essential for inference in this paper. To this end, control variables were added to the model to account for differences across households that includes age, gender, number of years of education of household head, number of household members, and cumulative amount borrowed from other sources since 1986. The last variable is very important as it controls for differences in access to resources across households.

For village-level control variables, I used the price of rice as a crude control for cost of living across villages. This is because households in rural Bangladesh spend about 50 percent of their expenditure in food and rice is the staple food of Bangladesh. As a result, the price of rice substantially influences a household’s perception of prevailing price level. I also included a binary variable of whether the village had a primary, co-ed public school as a very crude control for infrastructure in a village. At the same time, many of the variables remained constant in all four survey rounds and thus were indirectly taken into account by village-time-invariant fixed effects used in the model. All these control variables are assumed to be exogenous in this model; I expect none of the variables to be correlated with the error term used in the regression model. More details about these control variables can be found under summary statistics presented in Tables A1 and A2 in the appendix section.

6. RESULTS

This paper examines the possible impact of microcredit program participation on different dependent variables of interest pertaining to consumption, asset accumulation and education attainment of an extremely poor household with very little landholding. First, the fixed effect regression model was applied to the full sample of 855 households from both program and non-program villages. Next, the model was applied to a sub-sample of 700 households from program villages. Lastly, a modified fixed effect regression model was applied to this same sub-sample of households from program villages to examine how different amounts of cumulative microcredit borrowing possibly influenced the different dependent variables of interest pertaining to consumption, asset accumulation, and education attainment.

6.1 Full Household Sample from Both Program and Non-Program Villages

In examining the full sample of households from both program and non-program villages, households which participated in a microcredit program at least once were used as a treatment group and were compared to a control group of those households that never participated in a microcredit program. The results of these regressions are displayed in Table 2. The possible impact of microcredit on each of the dependent variables is captured by the coefficients of variables M, a binary variable that is 1 and 0 otherwise had a microcredit program, and N, a binary variable that is 1 if the household participated in a microcredit program at least once and 0 otherwise. In other words, the average impact of microcredit on each of the dependent variables can be crudely measured by the sum of the coefficients of variables M and N. T-tests were performed on coefficients of M and N separately to see whether each of the coefficients is different from zero at various significance levels. An F-test was also performed with the null hypothesis that the summation of the coefficients of M and N, $\mu_1 + \mu_2$, are zero for each regression. Results of these tests are listed at the bottom of Table 2.

Household Per Capita Weekly non-Food Consumption Expenditure

Participating households in program villages did not seem to see any significant positive rise in weekly per capita non-food expenditure when compared to non-participating households from program villages. The coefficient of N was not different from zero at ten percent significance level once household and village-level variations in characteristics were taken into account. When compared to non-participating house-
holds from villages without a microcredit program, participating households still did not see any significant positive impact of microcredit on per capita non-food expenditure. One could barely reject the null hypothesis that the summation of the coefficients of M and N are zero at a ten percent significance level using an F-test. So, based on this regression model, microcredit program participation does not seem to have any significant positive impact on per capita non-food consumption expenditure.

Household per Capita Weekly Food Expenditure

Participating households in program villages see a positive rise in per capita food expenditure at the five percent significance level when compared to non-participating households from program villages when household and village-level controls are accounted for in the model. However, when compared to non-participating households from villages without a microcredit program, null hypothesis that the summation of the coefficients of M and N are zero could barely be rejected at the ten percent significance level using an F-test; participating households did not see any statistically significant positive effect of microcredit on per capita food expenditure. As stated before in the methodology section, M is unlikely to be well defined due to a lack of sufficient variation. As a result, more emphasis should be put on variable N instead. This

### Table 2: Fixed Effect Regression Results (Full Sample)

<table>
<thead>
<tr>
<th></th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program availability</td>
<td>-8.035** (3.596)</td>
<td>-7.756** (3.031)</td>
<td>2.893 (4.927)</td>
<td>1.867 (1.713)</td>
</tr>
<tr>
<td>Household participation</td>
<td>1.995 (1.537)</td>
<td>2.581** (1.222)</td>
<td>-2.171 (2.087)</td>
<td>462.5 (344.8)</td>
</tr>
<tr>
<td>Years of education of household head</td>
<td>1.369*** (0.277)</td>
<td>1.033*** (0.242)</td>
<td>2.525*** (589.6)</td>
<td>336.7*** (118.7)</td>
</tr>
<tr>
<td>Age of household head</td>
<td>0.035 (0.047)</td>
<td>0.082* (0.045)</td>
<td>9.008 (38.96)</td>
<td>-6.048 (9.051)</td>
</tr>
<tr>
<td>Household head male</td>
<td>-5.946 (3.935)</td>
<td>1.667 (2.568)</td>
<td>783.1 (1.949)</td>
<td>-6.077*** (1.135)</td>
</tr>
<tr>
<td>Number of members in household</td>
<td>-1.665*** (0.485)</td>
<td>-4.391*** (0.423)</td>
<td>1.928*** (728.7)</td>
<td>118.9* (60.52)</td>
</tr>
<tr>
<td>Borrowing from other sources</td>
<td>0.000542*** (0.00165)</td>
<td>0.000357*** (0.000098)</td>
<td>0.345*** (0.128)</td>
<td>-0.019 (0.022)</td>
</tr>
<tr>
<td>Time Fixed Effects</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>Village Fixed Effects</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>Village Level Cluster</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>Observations</td>
<td>3,420</td>
<td>3,420</td>
<td>3,420</td>
<td>3,420</td>
</tr>
<tr>
<td>R-squared</td>
<td>0.176</td>
<td>0.333</td>
<td>0.320</td>
<td>0.162</td>
</tr>
<tr>
<td>F-test p-value</td>
<td>0.106</td>
<td>0.109</td>
<td>0.899</td>
<td>0.183</td>
</tr>
</tbody>
</table>

Note: *p<.1, **p<.05, ***p<.01. Not all control variables used in the regression are listed above.
suggestions that microcredit program participation positively impacts food consumption for these extremely poor households.

**Household Non-Land Asset Ownership**

When compared to households from control groups, there was no significant positive rise in non-land asset ownership at the ten percent significance level for households that borrowed at least once from microcredit institutions after village and household level controls were taken into account.

**Household Female Non-Land Asset Ownership**

Again, there was no significant positive rise in this variable due to microcredit program participation at the ten percent significance level once the full model with controls was applied to the data.

**Household Landholding**

When compared to non-participating households from program villages, participating households experienced a positive rise in household landholding at a five percent significance level. However, when compared to non-participating households from villages without a microcredit program, participating households could possibly have not seen any significant positive rise in landholding due to effects of microcredit as one could again reject the null hypothesis that the summation of the coefficients of M and N are zero at the ten percent significance level using an F-Test. As stated before, M is unlikely to be a well-defined variable due to lack of sufficient variation. As a result, more emphasis should be placed on variable N, as it indicates that microcredit program participation seems to have had a positive impact on landholding of these extremely poor households.

**Highest Number of Years of Schooling Completed by Any Male Member of Household**

As stated before, the binary variable M, which indicates whether a village has a microcredit program, is unlikely to be well-defined. This is because the variation in M came only from change in the status of fifteen of the eighty-seven villages between survey rounds three and four. Moreover, unobserved systemic differences likely exist between program and non-program villages that may not be completely taken into account with village-level control variables and village-time-invariant fixed effect. This is because microcredit programs tended to choose which villages they wanted to operate since the program was still not widespread from 1991-1992. This village selection bias problem is also likely to affect econometric inference of the results from the fixed effect regression model applied on the whole sample. As a result, I will next restrict our attention to the sub-sample of only those households from program villages; i.e., those seventy-five villages which had microcredit programs in place for at least three years before the first survey round.

**6.2 Subsample of Only Households from Program Villages**

Here, the same fixed effect regression model (without the variable M) as before was applied to only those households from the seventy-five program vil-
lages. The control group was restricted to those households in program villages that never borrowed from a microcredit institution. Results from these regressions on each of the seven dependent variables of interest are presented in Table 3. Variable N, a binary variable indicating whether a household participated in a problem at least once, is only emphasized to investigate whether microcredit program participation led to any observed positive rise in the different representative measures of the standard of living of these poor households while controlling for different household and village level variations in characteristics. A t-test was performed on N in each regression to see whether its coefficient was different from zero at different significance levels.

The results suggest that microcredit program participation most probably had a significant positive impact on household weekly per capita food expenditure and household landholding at the five percent significance level. At the same time, it seemed to have had a positive impact on household female ownership of non-land asset at the ten percent significance level. All the other variables of interest seemed not to have had any significant impact from microcredit program participation.

However, the binary variable N (whether household participated in a microcredit program at least once or not) only crudely captures the possible estimated average impact of microcredit program participation. It does not take into account the level of cumulative microcredit borrowing over time. It is very likely that the impact of microcredit on the dependent variables pertaining to consumption, asset accumulation and education attainment might become positively significant once the households attain a certain level of cumulative microcredit borrowing. To this end, the modified fixed effect regression model (2) will be applied to this subsample of households. In this model, three binary variables replace the binary variable N: N1, N2, and N3. N1 only takes the value 1 if the cumulative lifetime borrowing from the microcredit institutions is less than Tk 10,000 ($250) and is 0 otherwise. N2 takes the value 1 if the cumulative lifetime borrowing from microcredit programs was between

Table 3: Fixed Effect Regression Results (only program villages)

<table>
<thead>
<tr>
<th></th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Household weekly per-</td>
<td>Household weekly per-</td>
<td>Household non-</td>
<td>Household female non-</td>
</tr>
<tr>
<td></td>
<td>capita non-food</td>
<td>capita food</td>
<td>land asset ownership</td>
<td>land asset ownership</td>
</tr>
<tr>
<td>Household</td>
<td>1.924 (1.584)</td>
<td>2.737*** (1.270)</td>
<td>-2.012 (2.192)</td>
<td>586.5* (351.5)</td>
</tr>
<tr>
<td>participation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Years of education of household head</td>
<td>1.394** (0.312)</td>
<td>1.117*** (0.268)</td>
<td>2.634*** (671.5)</td>
<td>316.0** (127.3)</td>
</tr>
<tr>
<td>Age of household head</td>
<td>0.017 (0.052)</td>
<td>0.082 (0.052)</td>
<td>-6.046 (41.51)</td>
<td>-6.030 (9.178)</td>
</tr>
<tr>
<td>Household head male</td>
<td>-6.991 (4.333)</td>
<td>0.639 (2.796)</td>
<td>959.6 (2.206)</td>
<td>-6.046*** (1.147)</td>
</tr>
<tr>
<td>Number of members in household</td>
<td>-1.592*** (0.568)</td>
<td>-4.386*** (0.462)</td>
<td>1.872*** (851.8)</td>
<td>131.0* (71.67)</td>
</tr>
<tr>
<td>Borrowing from other sources</td>
<td>0.000528*** (0.000168)</td>
<td>0.000328*** (0.000086)</td>
<td>0.400*** (0.108)</td>
<td>-0.013 (0.025)</td>
</tr>
<tr>
<td>Time Fixed Effects</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>Village Fixed Effects</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>Village Level Cluster</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>Observations</td>
<td>2,800</td>
<td>2,800</td>
<td>2,800</td>
<td>2,800</td>
</tr>
<tr>
<td>R-squared</td>
<td>0.185</td>
<td>0.346</td>
<td>0.317</td>
<td>0.174</td>
</tr>
</tbody>
</table>

Note: *p<.1, **p<.05, ***p<.01. Not all control variables used in the regression are listed above.
Tk 10,000–20,000 ($250–$500). N3 takes the value 1 if the cumulative lifetime borrowing exceeds Tk 20,000 ($500). Results from applying this modified fixed effect regression model are presented in Table 4 for all seven dependent variables. Separate t-tests were run on each of these three variables, N1, N2 and N3, to determine whether the coefficients were each significantly different from zero.

The results in Table 4 suggest that household per capita food expenditure, per capita non-food expenditure and female ownership of non-land asset seem to experience significant positive increase as cumulative microcredit borrowed increases above Tk 10,000. However, there is a fall in the highest number of years of schooling completed by any female member of household among microcredit borrowers with less than Tk 10,000 worth of cumulative microcredit borrowing. All other dependent variables do not seem to experience any significant positive impact of increase in cumulative microcredit borrowing at the ten percent significance level.

7. DISCUSSION

Microcredit participation certainly seems to be positively correlated with household per capita food expenditure, female ownership of non-land asset, and household landholding. It also seems to have a strong positive correlation with per capita non-food consumption expenditure at higher levels of cumulative microcredit borrowing. This positive correlation with microcredit persists across these dependent variables after controlling for household and village-level characteristics and seem to be in line with the theory presented at the onset of this paper, i.e., microcredit relaxes the borrowing constraints of rural households and provide funds for income generating activities which can positively affect household standard of living in terms of consumption and wealth accumulation. Hence, one can reasonably conclude that this positive correlation is one of causality, i.e., microcredit actually improves consumption and wealth accumulation of these extremely poor households. Based on the analyses presented in this paper, the following conclusions can be reached in terms of microcredit’s impact on the living standard of extremely poor households:

**Consumption Expenditure**

The results suggest that microcredit has a positive impact on household per capita food expenditure. A very crude approximation of the magnitude of this impact is a rise in weekly food consumption by an average Tk 2.74 (measured in 1992 Tk). Since, I

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**Table 4: Fixed Effect Regression Results (only program villages)**

<table>
<thead>
<tr>
<th></th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Borrowing Level 1 (N1)</td>
<td>0.161 (1.783)</td>
<td>1.289 (1.495)</td>
<td>-2.634 (1.898)</td>
<td>164.9 (338.3)</td>
</tr>
<tr>
<td>Borrowing Level 2 (N2)</td>
<td>4.059* (2.201)</td>
<td>4.210*** (1.532)</td>
<td>-2.126 (2.277)</td>
<td>846.2* (486.7)</td>
</tr>
<tr>
<td>Borrowing Level 3 (N3)</td>
<td>10.81** (4.239)</td>
<td>6.077*** (1.905)</td>
<td>3.335 (3.112)</td>
<td>2,298*** (849.6)</td>
</tr>
<tr>
<td>Time Fixed Effects</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>Village Fixed Effects</td>
<td>YES</td>
<td>YES</td>
<td>YES</td>
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</tr>
<tr>
<td>Village Level Cluster</td>
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<td>YES</td>
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<tr>
<td>Observations</td>
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<td>2,800</td>
<td>2,800</td>
<td>2,800</td>
</tr>
<tr>
<td>R-squared</td>
<td>0.190</td>
<td>0.344</td>
<td>0.317</td>
<td>0.180</td>
</tr>
</tbody>
</table>

Note: *p<.1, **p<0.05, ***p<0.01. Not all control variables used in the regression are listed above.
am investigating extremely poor households with little or no land-ownership, this result is significant as such poor households usually see a positive impact on food consumption as part taking part in programs, like microcredit, geared toward improving their living standard through increasing income generation.

The estimated average impact of microcredit on per capita non-food consumption expenditure does not seem to be significantly positive at low levels of cumulative microcredit borrowing. However, with continued participation in microcredit program that lead to a large increase and utilization of cumulative lifetime microcredit borrowing, a significant positive increase in per capita non-food consumption expenditure is observed as seen in Table 4. These results pertaining to household food and non-food consumption increase is in line with most findings in the literature related to impacts of microcredit in Bangladesh.

**Asset Accumulation**

There does not seem to be any significant positive impact of microcredit on non-land asset accumulation of households. However, the results suggest that microcredit program participation does have a significant positive impact on landholding. The average increase in landholding, possibly arising from the effect of microcredit program participation is about 2.8 decimals or 0.028 acres. Even though the size of this impact seems to be small, it is significant since this paper is primarily investigating a sample of extremely poor households with very little landholding. Hence, the results suggest that microcredit program participation is likely to contribute to a rise in household wealth and asset accumulation mainly through increase in land ownership. This may be occurring because households are scaling up income generating activities primarily through an increase in labor input and not through increase in capital input like purchasing more agricultural and fishing tools, equipment, etc., which are common form of non-land assets owned by rural households. In that regard, increase in landholding also seems reasonable as most landless agrarian workers will seek to first increase landholding so that they can work in their own fields before investing in agricultural tools and equipment.

Microcredit programs also seem to increase household female ownership of non-land assets even though overall household ownership of non-land asset does not appear to increase as a result of microcredit program participation. This suggests that microcredit is most likely gradually increasing women’s control of resources in these extremely poor rural households. This is expected as many established microcredit programs, such as Grameen Bank, are exclusively geared toward female borrowers. Rural women possibly disproportionately experience the positive impact of such programs in terms of asset accumulation. This is likely to gradually increase influence of women in poor rural households. This increase in female non-land asset ownership due to microcredit is in line with similar findings of Pitt and Khandker (1998).

**Education**

As measured by the two education dependent variables used in this paper, microcredit does not seem to have any positive significant impact in terms of increasing years of education of male members of a household. However, it does seem to reduce average years of schooling of female members of a household by at least a quarter of a year among households that had cumulative borrowing of less than Tk 10,000 over lifetime. This is most probably because households primarily rely on labor to scale up income generating activities and primarily resort to employing the labor of their children, typically their female children. This tends to support the findings of Choe and Islam (2013) who claimed that microcredit has a negative impact on education because increases in child labor affect girls more than boys in families.

**8. CONCLUSIONS**

The results in this paper suggest that microcredit has improved certain aspects of standard of living of extremely poor households with little or no land ownership like consumption expenditure and asset accumulation as this paper has recorded rise in per capita food and non-food expenditure, landholding and female ownership of non-land asset for microcredit borrowers. However, microcredit seems to have little effect on education attainment of these households and has in fact appeared to have had a negative impact on female education attainment in these households at low levels of cumulative microcredit borrowing.

As stated before, one of the primary weaknesses of this paper has been the fact the treatment, that is, microcredit program participation, was not randomly assigned to the households in the sample like a randomized experiment. Households self-selected them-
selves into the program and in doing so may have induced self-selection bias in the data. For example, more entrepreneurial households may have taken out microcredit while less entrepreneurial households may have avoided such programs. Hence, households that participated in a microcredit program at least once may differ from households that never participated in a microcredit program in terms of unobserved characteristics not accounted for by household level control variables. As a result, differences in standard of living between control and treatment groups found in this paper may partially arise due to these differences in unobserved characteristics. Hence, the actual effects of microcredit are likely to be weaker than those observed in the models used in this paper. It is very difficult to isolate the effect of abilities in this kind of studies. Unfortunately, a randomized experiment to isolate the effect of microcredit program participation is not feasible in Bangladesh where such programs have virtually spread to all corners of the country.

Another weakness of this paper was that there was not enough access to village-level control variables which varied over time. Hence, the simple fixed effect regression model used in this paper can be further improved in explaining the variation across program and non-program households in different villages by including more village level controls which vary over time, such as the presence of government food programs and subsidy initiatives, as well as control variables that would help one to differentiate villages based on state and development of village infrastructure like connectivity to urban centers, presence of electricity, and gas supply from national grid and pipeline respectively. This will allow the models to better measure the average impact of microcredit on very poor households over time.

The seven dependent variables pertaining to consumption, wealth accumulation and education attainment certainly do not cover all aspects of standard of living of a household. As a result, other possible variables of interest such as household medical expenditure, household use of child labor, household access to sanitary latrine, occurrences of child marriage and under-age pregnancy, and women’s role in family decision making could also be investigated which will provide a much better and detailed picture of the impact of microcredit on the standard of living of these poor households.

There are also drawbacks to this study in terms of external validity of the results. The data from the households explored in this paper are over fifteen years old. The economy of Bangladesh has changed significantly since then as it moved toward allocating resources to more productive economic activities, such as low-end manufacturing and more productive agricultural activities like hybrid crop harvesting. In addition, local infrastructure improved considerably. Such developments in the national economy have probably increased the number of income generating opportunities in rural areas where microcredit can be utilized to better improve standard of living. As a result, we may expect to see a greater positive impact of microcredit than that documented in this paper. Hence, an ideal step forward would be to collect data on more recent program participants and non-participants to analyze representative measures of their standard of living to see whether the inferences drawn in this paper on the impact of microcredit program participation on extremely poor households with little or no land ownership are still valid in the changed economic scenario of the country.

The socioeconomic and political conditions of Bangladesh in the 1990s were likely to be different from those of other developing and developed countries where microcredit is increasingly used today. For example, democratic political reforms were just starting in Bangladesh following the end of dictatorship in 1991. Much of the rural areas of the country was, and still is, conservative. Hence, the conclusions reached in this paper about the impact of microcredit on extremely poor households may not necessarily hold in other countries with very different socioeconomic and political conditions. Microcredit is often used as an umbrella term to refer to a wide variety of microfinance initiatives across the globe. Microcredit programs in other countries have different models in terms of target population, criteria of membership, and loan repayment options. As a result, a very similar microcredit impact study on microcredit borrowers or a randomized experiment on households in other countries could be performed to see whether similar conclusions about the impact of microcredit on extremely poor households can be reached. At the same time, the models could be refined further to measure the estimated impact of microcredit on different household-level variables of interest to a reasonable degree of precision.

Based on the analyses presented in this paper,
the results conclude microcredit does have a positive impact on extremely poor households with very low landholding in terms of consumption, land ownership and female ownership of non-land assets. However, it also seems to have certain negative effects, such as possibly reducing the years of schooling of female children in households. At the same time, the paper also produced interesting findings indicating little or no significant positive impact of microcredit on non-land asset accumulation of households. Hence, even though the results indicate that microcredit can potentially increase consumption expenditure and wealth accumulation of extremely poor households and hence possibly lift these poor households from extreme poverty, there are new questions that need to be explored and answered in light of this study. In particular, the lack of significant impact of microcredit on household accumulation of non-land asset, such as consumer durables and capital goods needs to be investigated. At the same time, why microcredit did not have any positive impact on household education attainment needs to be explored in greater depth. Because increases in human capital through education has the potential to lift households from extreme poverty by making more productive income generating activities accessible to households, lack of education attainment is certainly a constraint on poor households in terms of improving living standards.

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DETERMINANTS OF CROSS-NATIONAL ENTREPRENEURIAL ACTIVITY

GENEVIEVE NIELSEN, DAVIDSON COLLEGE (2014)

ABSTRACT

This paper investigates factors that affect the decision to engage in entrepreneurial activity using cross-national unbalanced panel data from 2002 to 2010 for forty-eight high-income countries. In a random effects model with clustered standard errors, a one percentage-point increase in the percentage of the population engaged in venture capital is associated with a 0.753 percentage-point increase in entrepreneurial activity. A one standard-deviation increase in the social desirability index is associated with a 0.149 percentage-point increase in total entrepreneurial activity. Both effects are statistically significant at the 0.01 level. While regulatory constraints have a statistically insignificant impact on total early-stage entrepreneurial activity, they have a negative and statistically significant impact on formal sector entrepreneurial activity.

INTRODUCTION

Private entrepreneurial activity promotes employment opportunities, wealth creation, and human empowerment. While great debate surrounds the exact definition of entrepreneurship, entrepreneurs characteristically recognize new business opportunities and develop profitable processes to bring their better ideas to market. Therefore, entrepreneurial success can benefit both the entrepreneur and the entrepreneur’s country. Understanding the factors that promote private entrepreneurship is important for both aspiring entrepreneurs and governments that seek to encourage innovation as a means of promoting national prosperity.

Early research on this subject concentrated on personal traits that were correlated with entrepreneurship, such as ambition and a need for achievement.1 Later research suggested that although individuals might possess entrepreneurial traits, they will pursue entrepreneurship only if they consider their economic, cultural, political, and social environments to be supportive.2 Investigating national factors that influence entrepreneurial activity, Ardagna and Lusardi (2010) found that high levels of regulation discourage people from starting a business. However, the effect is amplified for people with higher levels of education.3 Freytag and Thurik (2007) found that differences in national levels of entrepreneurship over time can be explained by national economic influences. Moreover, persistent cross-country variations are affected by cultural and institutional factors.4 In addition to investigating broad national influences, studies have examined the role of economic clusters in promoting entrepreneurial activity by examining the convergence and agglomeration effects. For instance, Delgado, Porter, and Stern (2010) found that the growth rate of entrepreneurship increases with the strength of cluster environment in the region because clusters allow startups to leverage local resources and share common technologies, skills, and inputs.5 Therefore, the literature has demonstrated that the individual’s decision to engage in entrepreneurial activity depends upon both personal preferences and the surrounding environment.

After reviewing the current literature on entrepreneurial activity, this article develops a theoretical framework for the determinants of entrepreneurial activity on the market level. By connecting the individual decision-making process to the surrounding macroeconomic environment, a market model outlines the factors that impact the supply and demand for entrepreneurial labor. The population’s attitudes, abilities, and resources affect the supply of entrepreneurial labor, while the demand for entrepreneurship reflects the opportunities available to entrepreneurs. The equilibrium condition reveals the market quantity
of entrepreneurs in the market and the price for entrepreneurial labor.

The third section provides a cross-national empirical model for the determinants of entrepreneurial activity. To capture the theoretical influences, the empirical model uses data from the Global Entrepreneurial Monitor, Doing Business Data Set, and World Data Bank. In order to control for country fixed effects, the regression uses panel data from 2002 to 2010. The dataset contains forty-eight countries classified as either high-income or upper-middle income by the World Bank. The results identify the relative impact of determinants of entrepreneurial activities on the national level of entrepreneurship. After considering the empirical determinants, this article discusses the relevant policy implications of these results for promoting entrepreneurial activity.

I. LITERATURE REVIEW

According to Joseph Schumpeter’s definition, the entrepreneur initiates the process of “creative destruction” or market instability that enables economic progress. As part of the evolutionary and organic process of capitalism, the entrepreneur constantly revolutionizes the market from within. Not only do entrepreneurs create new products or systems; they can also create new demands. Instead of focusing on price competition in the capitalism system, Schumpeter focuses on competition posed by new technologies or new supplies.6

While Schumpeter states that entrepreneurs create disequilibrium in the economy, the Chicago or neoclassical school defines an entrepreneur as an individual who leads the market to equilibrium. Within this school, Frank Knight (1964) focuses on the entrepreneur accepting the risk associated with uncertainty. He considers risk to be the “inability to predict consumer demand,” which means the success of a product or service cannot be ensured.7 Since entrepreneurs cannot clearly assess the market return for their services, they accept greater risk. They depend upon a residual wage, the revenue remaining to the entrepreneur after all expenses have been paid. By taking the risk, the entrepreneur has the potential to provide new benefits to consumers that will meet their demands and bring the market to equilibrium.

Although the neoclassical perspective conceptualizes entrepreneurs as leading the market to equilibrium, the Austrian school of thought—initiated with Carl Menger’s Principles of Economics (1871)—defines the entrepreneur as someone who recognizes profit opportunities and uses resources to address unmet demand or market inefficiency. These profit opportunities typically arise after an exogenous shock. Building on Menger’s idea, Israel Kirzner defines entrepreneurship as “alertness” to new profit opportunities succeeded by innovative actions that follow the discovery of the opportunity.8 According to Kirzner, an arbitrageur is alerted to discrepancies in prices in different locations. He or she then develops a process to coordinate the transportation and sale of good to earn a profit.9,10 Identifying a key distinction in the definitions of entrepreneurship, Nooteboom (1993) states, “The creation of potential may be seen as Schumpeterian and its realization as Austrian.”10 Instead of focusing on the equilibrium state, Kirzner emphasizes entrepreneurs’ leading of a market to equilibrium.11 Trying to connect the individual entrepreneur to aggregate-level results, Wennekers and Thurik (1999) proposed, “Entrepreneurship is the manifest ability and willingness of individuals, on their own, or in teams, within and outside existing organizations, to perceive and create new economic opportunities... and to introduce their ideas in the market, in the face of uncertainty and other obstacles, by making decisions on location, form and the use of resources and institutions.”12 Building upon preexisting definitions, Wennekers and Thurik offer the most complete description of the entrepreneur’s initial ideation and subsequent follow-through.

Empirical Studies of National-Level Entrepreneurship

Sobel, Clark, and Lee (2007) argued that entrepreneurs have an inherent incentive to lobby for entry regulation after they have achieved success in order to delay the entry of new competitors. Using cross-country Global Entrepreneurship Monitor (GEM) data and The Global Competitiveness Report on a sample of twenty-seven Organization for Economic Co-operation and Development (OECD) member countries, they investigated the effect of barriers to entry and government regulation on entrepreneurial activity. To isolate the effect of regulation, the model controlled for factors that would affect both the supply of and demand for entrepreneurs. The supply of entrepreneurs is affected by the unemployment rate because individuals who cannot find employment may have

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1 Arbitrage, or the purchase of an asset in one market for immediate resale at a higher price in another market, is a riskless and profitable opportunity. While an arbitrage takes advantage of simultaneous price discrepancy, an entrepreneur accepts significant risk when initiating the process of “creative destruction.”
additional incentive to start a business. Also, domestic credit availability, foreign direct investment (FDI) per capita, political stability, and business insolvencies influence an individual’s perception of the entrepreneurial climate. The GDP per capita and median age of the population proxies the country’s demand for new businesses and products, as countries with a higher GDP can support new products and younger populations are more receptive to change. After controlling for these relevant explanatory variables, Sobel et al. found that a one percentage-point increase in the average tariff rate was associated with an 8-percent decrease in total entrepreneurial activity (TEA). Additionally, a one-unit increase in internal barriers to entry was associated with an 18-percent decrease in TEA. While protectionist policies may be intended to shield entrepreneurs from global competition, they may instead hinder the entrepreneurial process. Greater economic freedom was associated with both greater entrepreneurial activity and greater business failure. Controlling for the macroeconomic climate, the authors conclude that entry regulation leads to a less efficient allocation of resources, as a high rate of business failure signals that the market is eliminating less productive firms and allocating the resources more effectively. In order to encourage future national economic growth, governments must prevent successful entrepreneurs from protecting their businesses through entry regulation. This argument seems to imply that future growth depends upon new entry. In reality, incumbent firms can initiate the process of creative destruction by developing new products that render previous products obsolete.

To assess barriers to entrepreneurial activity, Ardagna and Lusardi (2010) examined the effect of regulation on both entrepreneurship and entry size. The regression used 470,183 observations taken from the microeconomic survey conducted by the GEM of people aged eighteen to sixty-four in forty-five high-income, upper-middle-income, and middle-income countries. Primarily interested in people in the planning process or early stages of business development, the study used total entrepreneurial activity (TEA) as a dummy variable to indicate if the person is involved in entrepreneurial activity. To further specify the type of entrepreneurial activity, the individuals were separated into two categories: opportunity and necessity entrepreneurs. In an effort to assess the risk-reward profile of the individual, the model included dummy variables for self-assessed business skills, fear of failure, and relevant social networks. Additionally, the regression contained the demographic variables of age, gender, education, and work status to account for the individual’s experience, ability, and social background. Trying to control for the effect of macro conditions on the individual, the model contained the level of financial development and country fixed effects. To better understand the types of people impacted by business regulation, the regression included many interaction terms between regulation (measured by number of entry procedures and number of contract procedures) and individual-level explanatory variables. In this dataset, the highest levels of regulation are found in Latin American countries, while the lowest are in European Union (EU) and OECD member countries. The interaction terms examined the extent to which the effect of regulation on entrepreneurship may be amplified when interacting with business skills, gender, and social networks. When entry procedures are at the minimum value, women are less likely to start a business because they cannot find employment. However, when entry procedures are at a maximum, women are more likely to start a new business. Additionally, high levels of regulation discourage individuals with business skills from starting a business. People with business skills were 5.8 percentage points more likely to start a business in a country with low regulation and 3.9 percentage points more likely to start a business in a country with high regulation. While regulation seemed to have had an overall negative impact on entrepreneurial activity, the effect was stronger on certain types of people.

Focusing on regulatory constraints and support for entrepreneurship, van Stel, Storey, and Thurik (2007) also investigated the effect of public policy on nascent and actual entrepreneurship. Although public policy on entrepreneurship can create both “burdens” (i.e., regulation) and “support” (i.e., financial assis-

ii The internal barriers to entry is an index on a scale of 1 to 7 provided by The Global Competitiveness Report: 2002–2003 and is defined as the “Index of the administrative burden for startups [measuring] the ease of starting a new business in the country.”

iii Economic freedom is measured using a “composite index measure of economic freedom that considers government size, legal structure and security of property rights, access to sound money, freedom of international trade, and regulation of credit, labor and business.” Each country is given a score on a scale between 1 and 10, in which a higher score indicates a higher level of economic freedom.

iv The “fear of failure” dummy equals one if the individual states that a fear of failing prohibits him or her from beginning a business. A variable with a wider range would be a more efficient way of capturing this effect. The “social networks” dummy equals one if the individual knows someone who began a business within the past two years.
DETERMINANTS OF CROSS-NATIONAL ENTREPRENEURIAL ACTIVITY

tance and services), the availability of data limited the study to entry and labor regulation as measured by the World Bank Doing Business dataset. The Eclectic Framework for Entrepreneurship developed by Verheul et al. (2001), which controls for key determinants of entrepreneurship, provided the basis of the model developed by van Stel et. al. Unlike other models of entrepreneurial determinants, the Eclectic Framework connects the individual decision-making process to the surrounding macroeconomic conditions. The number of procedures and days necessary to start a business measured the level of business regulation. The rates of entrepreneurship were assessed using the young business entrepreneurship rate and the nascent entrepreneurship rate as measured by the GEM. With a two-equation model in which nascent entrepreneurship is the dependent variable in the first equation and an independent variable in the second equation for young business entrepreneurship, the study investigated the conversion rate from nascent entrepreneur to actual young business owner. The model controlled for supply-side and demand-side factors that affect the risk-reward profile of the entrepreneur. On the supply side of entrepreneurship, the model contained control variables measuring the ease of access to loans, venture capital availability, working hours per year, secondary school enrollment, and tertiary school enrollment. On the demand side of entrepreneurship, the model controlled for economic growth rates, FDI and technology transfer, company-university cooperation, and industrial structure (share of services).

To account for the demonstration effect, the model included the incumbent business ownership rate. The combined dataset contains data from forty-seven high- and upper-middle income countries from 2000 to 2005. The results of the two equations support the conversion effect—that countries with more nascent entrepreneurs also have more entrepreneurs in actual business. Therefore, the demonstration or network effect dominated the crowding-out effect. Rigidity in hiring and firing had a negative and statistically significant impact on both nascent and young entrepreneurship activity. While the labor market regulations had a strong negative impact on entrepreneurship levels, the impact of entry regulation was limited. Factors such as the time, cost, and number of procedures necessary to start a business did not have a significant impact on entrepreneurship. However, minimum capital requirements indicated the existence of a barrier to entry, as the coefficient was negative and statistically significant. Additionally, the magnitude of the barrier and the statistical effect was greater for the opportunity nascent rate than the necessity nascent rate. The authors speculate that talented entrepreneurs pursuing a business opportunity can overcome regulatory burdens other than minimum capital requirements. Since opportunity entrepreneurs probably require higher levels of capital, they are more affected by this barrier. Surprisingly, the study found that the number of procedures to start a business and the cost of firing had a positive impact on necessity entrepreneurship. The authors suggest that the necessity entrepreneurs in developing countries with high levels of regulation simply avoid the regulations by operating in the informal sector, thus rendering the regulation useless. Overall, this study suggests that governments should focus on deregulating labor markets to promote entrepreneurial activity. 

Interested in the discrepancies in national entrepreneurial activity, Freytag and Thurik (2007) explored the effect of cultural factors on entrepreneurship. Over time, differences in levels of entrepreneurship (measured by the percentage of owners of incorporated and unincorporated businesses relative to the labor force) can be explained by national economic influences. However, persistent cross-country variations are affected by cultural and institutional components. The level of business ownership followed a U-shape pattern, declining as less developed countries develop and increasing among highly developed countries. To investigate the effect of institutional factors on entrepreneurship, the regression used data from the Eurobarometer survey with 8,000 respondents from twenty-five European countries in addition to U.S. data for the year 2004. Unlike the previous models, it distinguishes between latent and actual entrepreneurship. To control for regulation, the regression included the Fraser index for economic

v The ease of access to loans is measured on a scale of 1 to 7 based on how individuals responded to the question, “How easy is it to obtain a loan in your country with only a good business plan and no collateral?” Venture capital availability is measured on a scale of 1 to 7 based on how individuals responded to the statement, “Entrepreneurs with innovative but risky projects can generally find venture capital in your country.” Both surveys were conducted by the Global Competitiveness Report.

vi The FDI and technology transfer is measured on a scale of 1 to 7 based on how people responded to the statement, “Foreign direct investment in your country (1=brings little new technology, 7=is an importance source of technology).” The company-university cooperation is assessed based on responses to the statement, “Technology transfer between companies and universities,” with answers ranging from “insufficient” to “sufficient.”

vii Latent entrepreneurship measures the proportion of respondents who expressed a preference for self-employment over employment.
freedom. The model controlled for country-specific effects via country dummy variables in addition to a post-communism dummy and two variables measuring public and private spending on health care as a share of GDP and life expectancy. While the R² was only 0.12 for actual entrepreneurship, it was 0.53 for latent entrepreneurship. The explanatory variables were all statistically significant in the latent entrepreneurship regression, but were not in the actual entrepreneurship regression. Therefore, the institutional indicator variables provided a better explanation for latent entrepreneurship. Freytag and Thurik concluded that the level of regulation has a negative and statistically significant effect on latent entrepreneurship but not on actual levels of entrepreneurship at the 0.01 level.

In addition to considering regulatory constraints on entrepreneurship, Powell and Rodet (2012) investigated the effect of both economic freedom and societal approval for entrepreneurship on rates of early-stage entrepreneurial activity. Using data provided by the GEM, the World Values Survey, and the Economic Freedom of the World Annual Report on twenty-one countries, they estimated the effect of cultural explanatory variables on early-stage entrepreneurial activity. To measure entrepreneurship, they used early-stage entrepreneurial activity. To measure the level of cultural legitimation for entrepreneurship, they used the percentage of the population that thinks starting a business is a desirable career path. Additionally, they created a legitimation index variable based on responses to the World Values Survey. To investigate the effect of economic freedom, the model included the five primary factors in the Economic Freedom Index: “the size of government, access to money, the overall rule of law, regulation of international trade, and regulation of credit, labor and business.” The results were statistically significant because a one standard-deviation increase in cultural legitimation of entrepreneurship was associated with a 2.62 percentage-point increase in entrepreneurial activity. Additionally, a one standard-deviation increase in freedom from big government was associated with at 3.22 percentage-point increase in entrepreneurial activity. Contrary to the results of Freytag and Thurik (2007), the regression found that freedom from business regulation has a statistically significant positive effect on entrepreneurial activity.

In conclusion, strong determinants of entrepreneurial activity arise at the individual, national, and cluster levels. On the national level, studies have found that a wide variety of cultural, economic, political, and social influences impact the level of entrepreneurship. Great debate surrounds the effect of regulation on entrepreneurial activity. For instance, Ardanga and Lusardi (2009) identified a negative effect of entry regulation on entrepreneurship, but van Stel et al. (2007) found that labor regulation (but not entry regulation) influences entrepreneurial activity. Based on the findings in the prior literature on entrepreneurship, the second section of this article constructs a theoretical model for the determinants of entrepreneurship.

II. THEORETICAL MODEL
A Market Model

This section considers the macro conditions that influence the individual's decision to become an entrepreneur and develops a theoretical model for the level of entrepreneurship in a geographical area. The level of entrepreneurship can be explained from a labor market perspective. The supply side focuses on the attitudes, abilities, and resources that would drive profit-maximizing individuals to increase the quantity of entrepreneurial labor supplied for a given wage. The demand side considers the factors that influence the opportunities available for aspiring entrepreneurs. On the demand side, the model identifies factors that would drive utility-maximizing individuals to pay a higher wage for a given level of entrepreneurial labor. The market model also draws on insights from the individual utility-maximizing model presented in the Individual Level Model Appendix.

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The Fraser index incorporates the size of government (expenditures, taxes, and enterprises); the legal structure and security of property rights; access to sound money; and freedom to trade internationally.

The post-communism dummy was included to control for a cohort of the population who may have experienced a command economy, and thus be less likely to engage in entrepreneurial activity.

Early-stage entrepreneurial activity is defined as “The percentage of the adult population who are actively involved in setting up a business that is less than three months old and the percentage of the adult population who owns a business that is between 3 and 42 months old” (40).

The index variable incorporates the responses of individuals to four different statements: “Incomes should be more equal,” “The government should take more responsibility to ensure that everyone is provided for,” “Competition is good – it stimulates people to work hard and develop new ideas,” and “People can only get rich at the expense of others” (40).
Supply-Side Influences

Education Level (E) – With higher levels of education, entrepreneurs are more likely to possess the business skills necessary to become successful. Furthermore, higher levels of education encourage innovative thinking and creative problem-solving, which help aspiring entrepreneurs develop proprietary ideas for new businesses and further increase the gains from entrepreneurial activity. Higher education levels will increase the proportion of the population with an entrepreneurial vision. As aspiring entrepreneurs try to raise capital or recruit business partners, education enhances their credibility and helps reduce capital constraints. Alternatively, since employee income increases with education level, education will also increase the financial returns from employment, which increases the opportunity cost and reduces the incentive for entrepreneurship. Overall, however, given the intrinsic and extrinsic benefits of education, the net effect of education on entrepreneurial aspirations is likely positive. With higher levels of education, the supply of entrepreneurial activity will likely increase for a given entrepreneurial wage.

Access to capital (C) – As access to capital increases, entrepreneurship becomes a more feasible and desirable career path. Entrepreneurs can raise funds through bank loans, angel investment, venture capital, family, friends, and personal finances. While many aspiring entrepreneurs may hope to start their own business, capital constraints can inhibit entrepreneurial activity. Blanchflower and Oswald (1998) found that while 63 percent of Americans would prefer to be self-employed, only about 15 percent actually are self-employed. When asked what prevented them from becoming self-employed, 51.3 percent cited lack of capital or money. Access to capital will enable people with entrepreneurial visions to pursue their ideas and increase the quantity of labor supplied for a given entrepreneurial wage.

Unemployment Rate (U) – As the unemployment rate increases, many individuals will lose their jobs and hence the opportunity cost of becoming an entrepreneur will decline for them. Loss of employment could thus encourage greater levels of entrepreneurial activity. However, since a high unemployment rate reflects poor economic conditions and the perceived probability of business failure, it could also discourage individuals from engaging in entrepreneurial activity. Therefore, the net effect is indeterminate.

Culture of Entrepreneurship (Z) – Individualistic cultures that value hard work over leisure time and support the idea of a “self-made man” can encourage entrepreneurship by increasing the psychological gains from entrepreneurial activity. Societies that view entrepreneurs as job creators and innovators will hold entrepreneurs in high esteem. Societal approval for entrepreneurship could increase the level of entrepreneurial activity at a given entrepreneurial wage.

Composition of the Society (S) – Groups who feel marginalized from society may have greater incentives to start their own businesses because they will have difficulty finding employment opportunities or encounter glass ceilings that prevent promotion. These barriers to success as employees will lower both the financial and psychological gains of employment and encourage higher levels of entrepreneurial activity at a given wage.

Tax policy and regulation (T) – Corporate taxes and regulation can discourage people from becoming entrepreneurs by creating barriers to entry and raising the costs of starting a business. These regulations will decrease the financial gains from entrepreneurial activity and discourage entrepreneurship. If the government launches a campaign to promote entrepreneurship and lowers both taxes and regulation, it could increase the returns from entrepreneurial activity and increase the level of entrepreneurial activity at a given wage.

Entrepreneurial cluster (EC) – Entrepreneurial clusters can encourage additional entrepreneurial activity by establishing business networks, access to capital, and a strong consumer base. Successful entrepreneurs can inspire those around them to consider entrepreneurship as a feasible career path. New firms could reduce the perceived risk for aspiring entrepreneurs. By working in this environment, entrepreneurs experience greater utility due to the business networks that reduce perceived risks. If agglomeration effects increase the pool of available inputs and labor and the cluster develops a regional comparative advantage, the financial gains from entrepreneurship will increase. After working for a business and gaining entrepreneurial experience, aspiring entrepreneurs may leave established firms to create “spinoff” firms. Their prior experience reduces their probability of failure and perceived risk of entrepreneurial activity. On the other hand, the net effect of agglomeration is indeterminate.

xiv Blanchflower and Oswald (1998) include the proportion of the population with entrepreneurial vision as a key determinant of the number of entrepreneurs in the economy.
hand, the market for entrepreneurial activity can become saturated and competitive, which increases the probability of failure. Overall, the benefits from operating in a business cluster likely outweigh the costs of greater competition.

**Demand-Side Influences**

**GDP per capita (Y)** – At a given price of entrepreneurial labor, the demand for entrepreneurial activity will rise with an increase in GDP per capita. At higher income levels, consumers demand a greater quantity of differentiated products. As income elasticity for new products increases, the increase in gains from entrepreneurial activity will exceed that of traditional employment. With a greater income, consumers are willing to pay more for the entrepreneur’s labor.

**Economic Growth (EG)** – As income expands with economic growth, households will likely increase consumption and consequently increase demand for entrepreneurial labor. For a given price of entrepreneurial labor, the demand for entrepreneurial labor will increase as utility-maximizing individuals increase and diversify their consumption. These new business opportunities increase the gains from entrepreneurial activity and new industries will likely arise to meet new demands. However, the effect of economic growth on entrepreneurial activity is theoretically ambiguous because an increase in wages from employment increases the opportunity cost of self-employment, which could decrease the supply of entrepreneurial labor at a given entrepreneurial wage.

**Technological Development (TD)** – New technologies create new entrepreneurial opportunities. For instance, the information technology sector created demand for new products and new economic opportunities for web developers and programmers. At a given price of entrepreneurial labor, the demand for these services increases with the development of the information technology sector. By disrupting markets through the process of “creative destruction,” technological development creates new demand for entrepreneurial activity at a given price of entrepreneurial labor.

Based on these theoretical influences, Figure 1 illustrates the supply and demand in the market for entrepreneurs.

**Figure 1: Market for Entrepreneurs**

$P^*$ is the equilibrium price and $Q^*$ the equilibrium quantity of entrepreneurs in the market.

The general reduced-form equation is the following:

$$Q = f(E^\pm, C^\pm, Z^+, S^+, T^+, EC^\pm, Y^+, EG^\pm, TD^+)$$

In sum, this market model for entrepreneurs builds upon the insights of an individual-level model to better explain the macro conditions that would influence the gains from entrepreneurial activity relative to employment and the probability of business failure. In the next section an empirical model for the determinants of entrepreneurial activity is discussed.

### III. EMPIRICAL ANALYSIS

To test the theoretical determinants of market-level entrepreneurship, the model shown in the equation below includes relevant explanatory variables that influence the national level of entrepreneurial activity. To estimate the empirical effect of the theoretical determinants of entrepreneurship, the model controls for all theoretical determinants. This general empirical model is used for both an ordinary least squares (OLS) and panel data model, and the validity of these models is discussed below.

$$TEA_{it} = \beta_0 + \beta_1 R_{it} + \beta_2 T_{it} + \beta_3 E_{it} + \beta_4 T_{it} + \beta_5 N_{it} + \beta_6 F_{it} + \beta_7 C_{it} + \beta_8 VC_{it} + \beta_9 U_{it} + \beta_{10} P_{it} + \beta_{11} Y_{it} + \beta_{12} S_{it} + \beta_{13} C_{it} + \alpha_i + \nu_t + u_{it}$$

$TEA_{it}$ = Total early-stage entrepreneurial activity in country $i$ in year $t$

$R_{it}$ = Level of regulatory constraints, including...
the procedures, time, and cost associated with starting a business in country $i$ in year $t$.

\[ T_{it} = \text{Total tax rate for country } i \text{ in year } t \]

\[ E_{it} = \text{Average schooling (in years) for the population aged fifteen and above in country } i \text{ in year } t \]

\[ S_{it} = \text{Percentage of the population that thinks an entrepreneur has a high social status in country } i \text{ in year } t \]

\[ N_{it} = \text{Percentage of the population that knows someone who started a business in country } i \text{ in year } t \]

\[ F_{it} = \text{Percentage of the population that states that fear of failure would prevent them from starting a new business in country } i \text{ in year } t \]

\[ C_{it} = \text{Percentage of the population that lives in urban agglomerations of more than one million in country } i \text{ in year } t \]

\[ V_{it} = \text{Percentage of the population that personally provided funds for a new business started by another individual (excluding any purchases of stocks or mutual funds) within the past three years in country } i \text{ in year } t \]

\[ U_{it} = \text{Unemployment rate (unemployed as a percentage of total labor force) in country } i \text{ in year } t \]

\[ I_{it} = \text{Immigrants (percentage of total population that are immigrants) in country } i \text{ in year } t \]

\[ P_{it} = \text{Patent applications by residents and non-residents per hundred thousand persons in country } i \text{ in year } t \]

\[ Y_{it} = \text{GDP per capita (PPS) in country } i \text{ in year } t \]

\[ SC_{it} = \text{Severance pay measured in weeks of salary per separated worker in country } i \text{ in year } t \]

\[ a_i = \text{Country fixed effects in country } i \]

\[ v_t = \text{Time effects in country } i \]

\[ u_{it} = \text{Random error} \]

The level of entrepreneurial activity is first measured by total entrepreneurial activity (TEA), which is defined as the sum of the percentage of the population between eighteen and sixty-four years of age that establishes a business that they will own or co-own that has not paid wages for three months and the percentage of the population that owns and manages a business that is less than forty-two months old but has paid wages. TEA provides a good measure of the segment of the population that has decided to engage in entrepreneurial activity but fails to capture their success, growth, or profitability. However, the percentage of the population engaged in entrepreneurship is most relevant for this article because it models the determinants of the level of entrepreneurship in a country.

To capture the magnitude of the regulatory constraints, the model includes measures by Doing Business of the procedures, time, and cost associated with starting a business. In order to compare the level of regulation across 189 countries, the dataset uses a standardized business “that is 100 percent domestically owned, has start-up capital equivalent to ten times income per capita, engages in general industrial or commercial activities and employs between 10 and 50 people within the first month of operations.”

Therefore, the regulation variables apply to well-funded, high-growth startups and fail to include industry or trade-specific regulation. Doing Business considers regulation in the three stages of starting a business: preregistration, registration, and post-registration. In order to legally operate, businesses typically have to check the availability of a name, register with the tax authorities, attain a business license, legalize company books, and acquire a company seal. In addition to regulation, tax policies could also affect the decision to engage in entrepreneurial activity by reducing financial incentives. Alternatively, tax credits or capital for startups could encourage entrepreneurial activity. Doing Business provides a variable for the total tax rate as a percentage of the firm’s profit based on the level of taxation in five different areas: profit or corporate income tax, labor taxes, property taxes, turnover taxes, and other taxes such as municipal fees and vehicle taxes. While entrepreneurs will face different tax rates based on industry and firm size, the Doing Business dataset provides an estimate of the country’s corporate tax rates.

The model controls for observable characteristics of the population that theoretically influence the decision to engage in entrepreneurial activity. The level of education is measured by the World Bank’s World Development Report (2013) as the average years of schooling for the population aged fifteen or above. The decision to apply one’s education to entrepreneurial activity depends upon the national culture of entrepreneurship. To control for the society’s perception of entrepreneurship, the model contains a variable of the percentage of the population that believes successful entrepreneurs have high social status and respect, as measured by the GEM. To capture network effects, the model includes the percentage of the population that knows someone who started a business. Assessing the
magnitude of a country's entrepreneurial spirit, the regression includes the GEM's measure of the percentage of the population that believes fear of failure would prevent them from starting a new business. While the social status variable captures the general attitude towards other entrepreneurs, the fear-of-failure variable measures personal risk aversion. Societies that generally value financial security and stability over risk and adventure will likely have a higher fear of failure.\textsuperscript{25}

Depending on the national culture of entrepreneurship, entrepreneurial clusters may arise in urban agglomerations that create entrepreneurial networks to further encourage innovation. To control for the presence of entrepreneurial clusters, the model contains the World Bank's measure of the percentage of the population living in urban agglomerations of more than one million people.\textsuperscript{26} This may be a weak measure of an entrepreneurial cluster because urban agglomerations have varying levels of entrepreneurial networks and infrastructure. While entrepreneurial cultures and clusters will help foster new business ideas, these ideas cannot be implemented without access to capital. The ease of accessing capital for entrepreneurial activity will vary across countries based on the size of the venture capital industry and the access to credit. The model therefore includes the GEM measure of the percentage of the adult population in a country that personally provided funds for a new business started by another individual, excluding any purchases of stocks or mutual funds, in a given year. This variable provides a general measure of the venture capital industry; however, it is an imperfect measure because a large venture capital industry may be controlled by relatively few people. The amount of venture capital raised as a percentage of national income would provide a more accurate measure of the funds available to entrepreneurs, but the unavailability of such data precludes this option.\textsuperscript{27}

Furthermore, the model contains national-level variables that capture the opportunity cost of engaging in entrepreneurial activity. The effect of underemployment is captured by the World Bank's measure of underemployment as a percentage of the total labor force.\textsuperscript{xv} Additionally, the percentage of immigrants among the total population controls for groups that may feel marginalized or discriminated against in traditional jobs and thus more inclined to engage in entrepreneurial activity. Since technological development has the potential to disrupt markets and create new entrepreneurial opportunities, the regression includes a variable calculated using World Bank data for a country's patent applications by residents and non-residents per hundred thousand people.\textsuperscript{28} Although not all patents are associated with technological development, the variable serves as a measure for the rate of innovation in a country. In an effort to measure the flexibility of the labor market, the regression includes the cost of firing an employee.

The error term of the regression model (uit) captures all effects not specified by the model due to incorrect functional form, omitted variable bias, human variability, measurement errors in the dependent variable, idiosyncratic events, and simultaneity bias. As part of the ordinary least squares (OLS) assumptions, the expected value of the error term conditional upon all explanatory variables is zero.\textsuperscript{29} According to Alan Krueger (2001), "If the relationship between the dependent variable... and the explanatory variables... is linear, if the explanatory variables and the equation error are independent, then ordinary least squares using data from a random sample provides an unbiased estimate of the 'true' regression line. An unbiased estimator will not always yield the correct estimate, but it will be correct on average."\textsuperscript{30} By including all relevant explanatory variables, the regression models strive to maintain the assumptions of the error term to ensure that the regression results are unbiased and that the estimates are correct on average.

The Sample

The regression employs data from the 2013 editions of the Global Entrepreneurship Monitor, the Doing Business Database, World Bank's World Development Indicators and the World Development Report on high-income and upper-middle-income countries from 2002 to 2010. The Global Entrepreneurial Monitor (GEM) is the largest ongoing study of entrepreneurial dynamics and the 2010 dataset is its most recent dataset available to the public. In addition to surveying the adult population on entrepreneurial activity and attitudes, the GEM surveys national experts on government policies, commercial infrastructure, and development. The Doing Business Database created by the International Finance Corporation and

\textsuperscript{xv} According to the World Bank's World Development Indicators, the labor force is defined as "people ages 15 and older who meet the International Labour Organization definition of the economically active population: all people who supply labor for the production of goods and services during a specified period. It includes both the employed and the unemployed." See World Bank. World Development Indicators 2013. n.p.: Washington, D.C.; 2012, p. 61.
the World Bank offers data on indicators of the ease of doing business in a country. The World Development Indicators and World Development Report provide relevant explanatory variables on national education, income, and development.

The empirical analysis begins with an OLS regression of the 2009 data to estimate the key determinants of entrepreneurial activity in a given year. Due to the availability of data for the relevant explanatory variables in the model, only thirty countries are included in the dataset used for the 2009 OLS regression. A full list of countries is given in the Data Appendix. When combining data from the GEM and the Doing Business Database, 2009 offers a larger sample of countries than 2010; the countries that the GEM and Doing Business Database survey vary each year. Table 1 presents descriptive statistics on total entrepreneurial activity in 2009 as reported by the GEM. On average, 9.22 percent of the population is working on a business less than forty-two months old. Since the mean is greater than the median, the data are skewed right. The minimum total entrepreneurial activity in 2009 (3.26 percent) is found in Japan. An article in The Economist by Tom Standage (2007) stated that Japan has the second-lowest level of venture-capital investment as a portion of GDP of all OECD countries. Japan’s rigid labor market increases the difficulty of finding another job after a startup fails. Additionally, Japan has a culture that values conformity over individualism.31

South American countries tend to have the highest level of total entrepreneurial activity (TEA) in the dataset. The higher levels of entrepreneurial activity in Colombia are likely due to its poor labor market and lack of alternative economic opportunities. Colombia has the maximum level with 22.57 percent of the population engaged in entrepreneurship. Peru has a TEA of 20.93 percent, and Venezuela has a TEA of 18.66 percent. Since these countries also have low GDP per capita compared to the other countries in the dataset, they likely have greater room for economic growth and new entrepreneurial activity. The correlation coefficient between TEA and GDP per capita is -0.6156. Additionally, on average, in the sample of countries, 66.03 percent of the adult population aged eighteen to sixty-four states that entrepreneurship is a desirable career path, as compared to 90.45 percent in Colombia. In contrast, Japan has the minimum percentage of the population that considers entrepreneurship a desirable career path, with only 28.11 percent of the population in Japan considering entrepreneurship a desirable career path. Countries in the European Union fall below the average for both TEA and desirable career path. For instance, Belgium has a TEA of 3.51 percent and desirable career path of 45.63 percent. The correlation coefficient between desirable career path and TEA is 0.6545. Table 2 shows descriptive statistics for the explanatory variables.

### Cross-Section Regression Results

The regression results for the year 2009 shown in Table 3 provide greater insight into the determinants of entrepreneurial activity. While the full panel dataset contains forty-eight or fifty countries, the regression for 2009 has thirty or thirty-one countries. Column 1 of Table 3 presents the estimated linear OLS regression of total entrepreneurial activity for all of the explanatory variables for the year 2009. Consistent with theory and prior research, the results indicate that access to capital has the most statistically significant effect on entrepreneurial activity, as measured by the level of significance. (Surveys conducted by GEM on the greatest barriers to entrepreneurial activity identify access to capital as the most commonly cited barrier.)32 A one percentage-point increase in the percentage of the population engaged in venture capital is associated with a 0.979-percent-increase in total entrepreneurial activity, and this effect is statistically significant at the 0.01 level. Since the average percentage of the population engaged in venture capital is 3.26 percent, a one percentage-point increase would represent an increase of approximately a third of the current venture capital population. However, the effect of the venture capital industry could be in-

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**Table 1: Descriptive Statistics on Total Entrepreneurial Activity in 2009**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mean</strong></td>
<td>9.22</td>
</tr>
<tr>
<td><strong>Median</strong></td>
<td>7.84</td>
</tr>
<tr>
<td><strong>Standard Deviation</strong></td>
<td>5.89</td>
</tr>
<tr>
<td><strong>Minimum</strong></td>
<td>3.26 (Japan)</td>
</tr>
<tr>
<td><strong>Maximum</strong></td>
<td>22.57 (Colombia)</td>
</tr>
</tbody>
</table>
flated by simultaneity bias; as entrepreneurial activity increases, the population will have a greater number of opportunities to engage in venture capital.

In fact, Kreft and Sobel (2005) conducted Granger causality tests and found that successful entrepreneurial activity attracts venture capital. High levels of entrepreneurial activity may help reduce the perceived risk surrounding entrepreneurial activity and the allocation of funds to venture capital. Additionally, the percentage of the population that states that fear of business failure prevents them from starting a business also has a marginally statistically significant influence on entrepreneurial activity. A one percentage-point increase in the percentage of the population that fears failure is associated with a 0.141 percentage-point decrease in total entrepreneurial activity, but this effect is only statistically significant at the 0.10 level. The other explanatory variables are statistically insignificant. According to the adjusted $R^2$, the linear regression explains 62.5 percent of the variation in total entrepreneurial activity.

Given the high adjusted $R^2$ and low levels of statistical significance, the regression results likely suffer from multicollinearity. With the presence of multicollinearity, the point estimates remain correct, but the standard errors are biased upwards. A variance inflation factor (VIF) that exceeds 4 is considered significant, and the variable for number of procedures has a VIF of 4.68. The high degree of correlation between procedures and time (with a correlation coefficient of 0.7304 that is statistically significant at the 0.01 level) likely causes the large VIF for procedures. While the different measures of regulation capture theoretically different factors, in reality these variables all measure the regulatory constraints that the potential entrepreneur perceives. The following regression results adjust the model in order to address the likelihood of multicollinearity.

Column 2 of Table 3 reports the results for a regression that includes the non-linearity on GDP per capita (measured in hundreds of dollars adjusted for purchasing power parity) and excludes separation costs. While separation costs serve as a general measure for the level of labor regulation, they fail to capture the effect of labor regulation that is relevant for entrepreneurship: the flexibility of the labor market.

### Table 2: Descriptive Statistics for Explanatory Variables in 2009

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time</td>
<td>28.6</td>
<td>34.6</td>
<td>4 (Belgium)</td>
<td>149 (Brazil)</td>
</tr>
<tr>
<td>Cost</td>
<td>11.7</td>
<td>10.2</td>
<td>0 (Denmark)</td>
<td>37.7 (Jordan)</td>
</tr>
<tr>
<td>Procedures</td>
<td>8.4</td>
<td>3.7</td>
<td>3 (Belgium and Finland)</td>
<td>16 (Brazil and Venezuela)</td>
</tr>
<tr>
<td>Tax rate</td>
<td>45.6</td>
<td>15.8</td>
<td>14.5 (Saudi Arabia)</td>
<td>80.1 (Colombia)</td>
</tr>
<tr>
<td>Desirable career path</td>
<td>66.0</td>
<td>15.7</td>
<td>28.1 (Japan)</td>
<td>91.8 (Dominican Republic)</td>
</tr>
<tr>
<td>Perceived skills</td>
<td>47.1</td>
<td>16.1</td>
<td>13.8 (Malaysia)</td>
<td>74.1 (Germany)</td>
</tr>
<tr>
<td>Fear of failure</td>
<td>37.4</td>
<td>9.1</td>
<td>23.1 (Panama)</td>
<td>54.1 (Greece)</td>
</tr>
<tr>
<td>Network</td>
<td>40.0</td>
<td>10.2</td>
<td>21.1 (Japan)</td>
<td>61.6 (Malaysia)</td>
</tr>
<tr>
<td>Unemployment</td>
<td>8.8</td>
<td>4.6</td>
<td>3.4 (Netherlands)</td>
<td>23.7 (South Africa)</td>
</tr>
<tr>
<td>GDP per capita (in hundreds of PPPS)</td>
<td>230.3</td>
<td>128.1</td>
<td>57.5 (Jordan)</td>
<td>468.8 (Switzerland)</td>
</tr>
<tr>
<td>Patents</td>
<td>37.6</td>
<td>76.6</td>
<td>0 (Saudi Arabia, Dominican Republic, Algeria)</td>
<td>332.5 (Korea)</td>
</tr>
<tr>
<td>Schooling</td>
<td>9.5</td>
<td>1.6</td>
<td>6.4 (Venezuela)</td>
<td>12.9 (US)</td>
</tr>
<tr>
<td>Immigrants</td>
<td>7.2</td>
<td>8.6</td>
<td>0.2 (Peru)</td>
<td>40.2 (Jordan)</td>
</tr>
<tr>
<td>Venture capital</td>
<td>3.260</td>
<td>2.186</td>
<td>.88 (Brazil)</td>
<td>10.65 (Chile)</td>
</tr>
<tr>
<td>Urban agglomerations</td>
<td>25.661</td>
<td>11.849</td>
<td>7.662 (Algeria)</td>
<td>49.50 (Japan)</td>
</tr>
<tr>
<td>Separation costs</td>
<td>6.673</td>
<td>5.307</td>
<td>0 (Denmark and US)</td>
<td>24 (Greece)</td>
</tr>
</tbody>
</table>

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xvii The concept of Granger causality according to Grosche (2014) is stated as follows: “a variable X can be said to cause another variable Y if the probability of correctly forecasting $Y_{t+1}$ with $t = 1, \ldots, T$, increases by including information about $X_t$ in addition to other information contained in a specific information set at time t.” See Stephanie-Carolin Grosche, “What Does Granger Causality Prove? A Critical Examination of the Interpretation of Granger Causality Results on Price Effects of Index Trading in Agricultural Commodity Markets.” *Journal of Agricultural Economics* 65, no. 2 (2014): 279.
U-shaped relationship between GDP per capita and entrepreneurship both across countries and within countries over time. As countries develop, the level of entrepreneurial activity initially declines. Freytag and Thurik hypothesized that as a country transitions from a labor-intensive to capital-intensive economy or from an agriculturally-based economy to a manufacturing-based economy, the number of entrepreneurial opportunities declines. The increasing amount of capital required for an aspiring entrepreneur to enter a market could become a more substantial barrier to entrepreneurial activity. However, as countries continue to develop and transition from manufacturing-based economies to service economies, the level of entrepreneurial activity increases due to a decrease in capital requirements. At the minimum point on the estimated parabola, GDP per capita is $25,736. In the sample, the mean level of GDP per capita (adjusted for purchasing power parity) is $23,035. Therefore, countries with a per-capita GDP approximately 12 percent above the mean demonstrate a positive association between per-capita GDP and TEA.

With the non-linearity on per-capita GDP included, the coefficient on venture capital remains statistically significant at the 0.01 level, and the magnitude of the coefficient declines slightly to 0.92. In this model, the effect of immigration becomes statistically significant at the 0.05 level. A one percentage-point increase in the percentage of the population that immigrated to the country is associated with only a 0.128 percentage-point decrease in entrepreneurial activity. While this effect is contrary to this article’s theory, immigrants may be less familiar with the laws and business environment in a foreign country and thus less likely to start a business.xviii All other variables are statistically insignificant. Despite the strong correlation of 0.65 between TEA and desirable career choice that is statistically significant at the 0.01 level, the effect of the regression coefficient is statistically insignificant. Daniel Eisenberg’s (2013) work on the personal characteristics of entrepreneurs, Worthless, Impossible and Stupid, provides insights into why the variables that capture social desirability

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Table 3: Regression Results for 2009 Data

<table>
<thead>
<tr>
<th></th>
<th>(1) Total Entrepreneurial Activity</th>
<th>(2) Total Entrepreneurial Activity</th>
<th>(3) Total Entrepreneurial Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time</td>
<td>0.0384 (0.042)</td>
<td>0.024 (0.033)</td>
<td>---</td>
</tr>
<tr>
<td>Cost</td>
<td>0.126 (0.097)</td>
<td>0.123 (0.080)</td>
<td>0.138 (0.062)**</td>
</tr>
<tr>
<td>Procedures</td>
<td>-0.042 (0.42)</td>
<td>0.036 (0.28)</td>
<td>---</td>
</tr>
<tr>
<td>Tax rate</td>
<td>0.078 (0.066)</td>
<td>0.069 (0.056)</td>
<td>0.093* (0.046)</td>
</tr>
<tr>
<td>Desirable career choice</td>
<td>0.081 (0.061)</td>
<td>0.045 (0.054)</td>
<td>---</td>
</tr>
<tr>
<td>Perceived skills</td>
<td>-0.021 (0.049)</td>
<td>-0.005 (0.047)</td>
<td>0.019 (0.046)</td>
</tr>
<tr>
<td>Fear of failure</td>
<td>-0.141* (0.079)</td>
<td>-0.047 (0.058)</td>
<td>---</td>
</tr>
<tr>
<td>Network</td>
<td>-0.021 (0.078)</td>
<td>-0.037 (0.081)</td>
<td>---</td>
</tr>
<tr>
<td>Social Desirability Index</td>
<td>---</td>
<td>---</td>
<td>0.016 (0.10)</td>
</tr>
<tr>
<td>Unemployment</td>
<td>-0.139 (0.13)</td>
<td>-0.193 (0.12)</td>
<td>-0.225* (0.11)</td>
</tr>
<tr>
<td>GDP per capita</td>
<td>-0.0057 (0.072)</td>
<td>-0.076 (0.26)**</td>
<td>-0.085*** (0.22)</td>
</tr>
<tr>
<td>(GDP per capita)**</td>
<td>---</td>
<td>0.00014*** (4.47e-09)</td>
<td>0.00015*** (3.72e-09)</td>
</tr>
<tr>
<td>Patents</td>
<td>-346.892 (1243.45)</td>
<td>-689.803 (1257.98)</td>
<td>-1198.275 (1933.049)</td>
</tr>
<tr>
<td>Average schooling</td>
<td>-0.410 (0.76)</td>
<td>-0.432 (0.60)</td>
<td>-0.549 (0.59)</td>
</tr>
<tr>
<td>Immigrants</td>
<td>-0.048 (0.060)</td>
<td>-0.128** (0.063)</td>
<td>-0.141*** (0.047)</td>
</tr>
<tr>
<td>Venture capital</td>
<td>0.979*** (0.31)</td>
<td>0.924*** (0.27)</td>
<td>0.767*** (0.24)</td>
</tr>
<tr>
<td>Urban agglomerations</td>
<td>0.029 (0.091)</td>
<td>0.071 (0.080)</td>
<td>0.121* (0.059)</td>
</tr>
<tr>
<td>Separation costs</td>
<td>0.045 (0.170)</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Constant</td>
<td>7.623 (11.81)</td>
<td>14.133 (10.98)</td>
<td>15.795* (8.62)</td>
</tr>
<tr>
<td>Adjusted R-squared</td>
<td>0.625</td>
<td>0.763</td>
<td>0.787</td>
</tr>
<tr>
<td>RMSE</td>
<td>3.410</td>
<td>2.806</td>
<td>2.703</td>
</tr>
<tr>
<td>Observations</td>
<td>30</td>
<td>31</td>
<td>31</td>
</tr>
<tr>
<td>R-squared</td>
<td>0.832</td>
<td>0.890</td>
<td>0.876</td>
</tr>
</tbody>
</table>

Note: * p<0.1, ** p<0.05, *** p<0.01

The second regression therefore excludes separation costs since they do not capture the rigidity of the labor market, which theoretically determines entrepreneurial activities. When the regression contains a quadratic term for GDP per capita, the effect of GDP per capita and its quadratic are statistically significant at the 0.01 level, and the explanatory power of the model increases as the adjusted R2 rises from 0.625 to 0.763. Since the coefficient on GDP per capita is negative, the coefficient on (GDP per capita)^2 is positive, and the regression constant is positive, the graph of total entrepreneurial activity (TEA) against GDP per capita is U-shaped. Freytag and Thurik (2007) also identified a
such as the percentage of the population that believes entrepreneurship is a desirable career path and the percentage of the population that fears business failure are insignificant. Eisenberg states “the only way to create and capture such extraordinary value is to perceive its potential where many others do not.”

Since entrepreneurs must adopt a contrarian mindset to work on an idea that others fail to recognize as valuable initially, societal approval does not influence aspiring entrepreneurs.

The effect of different types of regulatory constraints is also statistically insignificant. Similarly, van Stel, Storey and Thurik (2007) found that factors such as the time, cost, and number of procedures necessary to start a business do not have a significant impact on entrepreneurship. Powell and Rodet (2012) affirmed this conclusion, and both sets of authors offer the same explanation for this somewhat surprising result. Since the GEM dataset measures both the formal and informal sectors, the effect is likely insignificant because regulation influences the distribution between the formal and informal sector more than total level of entrepreneurial activity.

Although the four variables that measure regulatory constraints (time, procedures, cost, and corporate tax rate) capture different theoretical influences, they exhibit high degrees of correlation. The correlation coefficient between the time and number of procedures required to start a business is 0.7304, and the correlation coefficient between the cost and procedures is 0.5604. In order to reduce the presence of multicollinearity that biases standard errors upward, Column 3 reports results from a regression that excludes the time necessary to start a business and the number of procedures required to start a business.

In this model, the cost of starting a business becomes statistically significant at the 0.05 level and the tax rate is statistically significant at the 0.10 level. A one percentage-point increase in the cost of starting a business is associated with a 0.138 percentage-point increase in total entrepreneurial activity. A one percentage-point increase in the tax rate is associated with a 0.093 percentage-point increase in total entrepreneurial activity. While this article’s theory suggests that the regulatory constraints would have negative coefficients, they have positive coefficients in this model. Governments may impose higher regulations and seek to earn greater tax revenue from businesses in countries that have a strong business and entrepreneurial culture. Since governments may respond to the level of entrepreneurial activity when creating the regulation, this estimate may be incorrect due to simultaneity bias. Furthermore, South American countries have the highest levels of entrepreneurial activity and the highest levels of business regulation. The GEM’s measure of entrepreneurial activity includes the informal sector, so regulation may affect the distribution between the formal and informal sector.

In the model represented by Column 3, the effect of urban agglomerations and unemployment become statistically significant at the 0.01 level. A one percentage-point increase in unemployment is associated with a decline in total entrepreneurial activity of 0.225. Because an increase in unemployment is associated with poor economic conditions and the perceived probability of business failure, these results suggest that people are less likely to leave their job in existing corporations to become entrepreneurs in times of economic uncertainty. Since the percentage of the population that considers entrepreneurship a desirable career path, the percentage of the population that knows someone who started a business, and the percentage of the population that perceives entrepreneurship to be a desirable career path, all measure social desirability of entrepreneurship, Column 3 includes an index variable for these three variables. Like the individual components of the index variable in the previous model, the Social Desirability Index is statistically insignificant. These regression results differ in statistical significance from that of Powell and Rodet (2012), who created an index variable for cultural legitimation using both responses from the World Values Survey and the percentage of the population that perceives entrepreneurship to be a desirable career path. Their model produced results that were statistically significant because a one standard-deviation increase in cultural legitimation of entrepreneurship was associated with a 2.62 percentage-point increase in entrepreneurial activity. In addition to having a different index variable, Powell and Rodet (2012) implemented a different specification strategy. The authors mentioned the possibility of simultaneity bias in this regression; perhaps, as entrepreneurial

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xix Influence statistics for the regression results in Column 3 reveal that none of the countries have excessive influence on the explanatory variables; all influence statistics are less than the absolute value of one.
activity increases, so does the cultural legitimation. To try to reduce the effect of this variable, they used GEM data from 2008 and World Values data from 2005. In the model presented in this paper, the variable for the size of the venture capital industry may capture some of the influence of the Social Desirability Index. Societies that value entrepreneurial activity and risk-taking may encourage people to allocate more funds to venture capital. In fact, the correlation between these two variables is 0.57 and statistically significant at the 0.01 level. Additionally, the access-to-capital variable may capture some of the effect of the unemployment variable. During times of poor economic conditions, individuals will have less money to invest and may prefer to invest in more stable, existing organizations. In Column 3, all other explanatory variables are statistically insignificant.

The results from Column 3 provide important insights into the factors driving the decision to become an entrepreneur. At different stages of economic development as measured by GDP per capita, people have different perceptions about entrepreneurial opportunities and the barriers they must overcome. As GDP per capita increases, the level of entrepreneurial activity initially decreases but then increases as countries transition to a service-based economy. Capital constraints, as measured by the percentage of the population engaged in venture capital, have a statistically significant impact on entrepreneurship when estimated by TEA. The size of the venture capital industry probably affects the entrepreneur's perception of capital constraints and the likelihood of successfully raising capital. If entrepreneurs believe that they will be able to obtain venture capital, they are more likely to engage in entrepreneurial activity. Based on the results reported in Column 3, the economic climate—as captured by the level of unemployment and the percentage of the population living in urban agglomerations—has a statistically significant impact on the level of entrepreneurial activity. As the level of unemployment increases, people likely become more concerned about giving up their job in an existing organization and become less likely to engage in entrepreneurial activity. As the percentage of the population living in urban agglomerations increases, the level of entrepreneurial activity increases. Business networks in urban areas likely facilitate entrepreneurial opportunities. Unemployment and urban agglomeration become statistically insignificant when the regression includes dummy variables for Latin America and the European Union, as the effects of the economic climate are likely included in the regional effects of the dummy variable. Since the cross-section of countries using ordinary least squares regression fails to capture important country fixed effects and time effects, the next section expands the model to a panel data set to reduce the likelihood of omitted variable bias.

Panel Data

Unlike a single-period ordinary least squares estimation, regressions with panel data can control for unobservable time-constant explanatory variables that theoretically determine total entrepreneurial activity and are correlated with the included explanatory variables, which helps minimize the presence of omitted variable bias. In our panel data model, country fixed effects

\[(a_i)\] control for unobservable time-constant characteristics of the countries. Country fixed effects such as cultural factors, labor-leisure preferences, quality of education, corporate cultures, and labor market flexibility vary greatly across countries and theoretically determine the level of entrepreneurial activity within a country, but are unlikely to vary over the nine-year time frame of 2002 to 2010. While starting a business provides the entrepreneur with greater independence, entrepreneurs sacrifice the security that comes with working for an established organization. Societies that encourage security over risk-taking will likely have lower levels of entrepreneurial activity. Meanwhile, since starting and managing a new business likely requires additional time commitments, cultures that highly value leisure time and family life may have fewer entrepreneurs as a percentage of the population. Highly rigid labor markets that have low job turnover rates could discourage people from engaging in entrepreneurship because they will face additional challenges of finding new jobs should their businesses fail. While these influences cannot be captured with explanatory variables, they theoretically determine the level of total entrepreneurial activity. Within the time frame of the panel dataset, the World Development Report records observations on the average level of education and the immigration for only one year. In order to estimate a regression with panel data, the dataset must include observations from at least two different time periods. To the extent that immigration and education are constant over the time period, they are included in country fixed effects.
In addition to country fixed effects, omitted variable bias might occur due to variation over time that is consistent across countries. While patents per hundred thousand persons serves as an estimate of the level of technological development in a specific country, time effects (vt) control for changes in technology over time across all upper-middle-income and high-income countries. For example, the proliferation of web technologies, software frameworks, and online hosting from 2002 to 2010 reduced the startup costs for new technology companies. The release of the iPhone in 2007 created new opportunities for entrepreneurs to build businesses around smartphone applications. The global perception of the financial security associated with starting a business, especially in the information technology sector, fell dramatically following the burst of the dot-com bubble in 2001. These factors could influence the level of entrepreneurial activity in upper-middle-income and high-income countries, and the model controls for these time effects to the extent that they are present and uniform across countries.

In the panel data model, the sample is expanded to include forty-eight or fifty high-income and upper-middle-income countries, depending on the variables included in the model. Since the panel data model controls for country fixed effects, the number of explanatory variables needed declined, and this decline increased the availability of data.

In the panel data regression model presented in Column 1, GDP per capita is statistically significant at the 0.01 level and its quadratic is statistically significant at the 0.05 level.** With a p-value of 0.0137, per-capita GDP and its quadratic are jointly significant at the 0.05 level. As in the 2009 OLS regression, the graph of total entrepreneurial activity against per-capita GDP is U-shaped, and these results are consistent with that of Freytag and Thurik (2007). Access to capital is statistically significant at the 0.05 level. In this model, a one percentage-point increase in the percentage of the population engaged in venture capital is associated with a 0.753 percentage-point increase in total entrepreneurial activity. Also, the Social Desirability Index variable is statistically significant at the 0.01 level. A one standard-deviation increase in the Social Desirability Index is associated with a 0.149 percentage-point increase in total entrepreneurial activity. The sign and statistical significance for the social desirability index are consistent with the work presented by Powell and Rodet (2012). In contrast to the results from the 2009 OLS regression, the panel model suggests social approval impacts the individual’s decision to engage in entrepreneurial activity.** Also, a one percentage-point increase in the cost of starting a business is associated with a 0.117 percentage-point increase in total entrepreneurial activity. Furthermore, an increase in the unemployment rate is associated with a decline in TEA, which suggests that people are less likely to leave their existing jobs and become entrepreneurs in a bad economy. All other variables are statistically insignificant, and the signs of

<table>
<thead>
<tr>
<th>Variable name</th>
<th>Total Entrepreneurial Activity</th>
<th>Total Entrepreneurial Activity</th>
<th>Business Entry Density Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived skills</td>
<td>0.013</td>
<td>0.013</td>
<td>0.020</td>
</tr>
<tr>
<td>GDP per capita</td>
<td>-0.045***</td>
<td>-0.045***</td>
<td>-0.019</td>
</tr>
<tr>
<td>(GDP per capita)**</td>
<td>.00007**</td>
<td>.00007**</td>
<td>0.00004</td>
</tr>
<tr>
<td>Patents</td>
<td>0.002</td>
<td>0.002</td>
<td>0.003</td>
</tr>
<tr>
<td>Unemployment</td>
<td>-0.043 (0.085)</td>
<td>-0.043 (0.093)</td>
<td>-0.161*** (0.045)</td>
</tr>
<tr>
<td>Access to capital</td>
<td>0.753*** (0.10)</td>
<td>0.753*** (0.26)</td>
<td>0.132** (0.059)</td>
</tr>
<tr>
<td>Urban agglomerations</td>
<td>0.021 (0.032)</td>
<td>0.021 (0.032)</td>
<td>0.065* (0.037)</td>
</tr>
<tr>
<td>Cost</td>
<td>0.117*** (0.044)</td>
<td>0.117 (0.078)</td>
<td>-0.054*** (0.021)</td>
</tr>
<tr>
<td>Tax rate</td>
<td>-0.004 (0.016)</td>
<td>-0.004 (0.018)</td>
<td>---</td>
</tr>
<tr>
<td>Social Desirability Index</td>
<td>0.149*** (0.047)</td>
<td>0.149*** (0.54)</td>
<td>0.007 (.023)</td>
</tr>
<tr>
<td>Constant</td>
<td>10.213 (6.605)</td>
<td>10.213 (6.61)</td>
<td>3.78 (2.69)</td>
</tr>
<tr>
<td>Number of countries</td>
<td>48</td>
<td>48</td>
<td>39</td>
</tr>
<tr>
<td>Number of observations</td>
<td>151</td>
<td>151</td>
<td>167</td>
</tr>
<tr>
<td>Adjusted R-squared</td>
<td>0.705</td>
<td>0.705</td>
<td>0.154</td>
</tr>
</tbody>
</table>

Note: * p<0.1, ** p<0.05, *** p<0.01
the insignificant explanatory variables are consistent with theory.

Due to the presence of serial correlation, the regression results in Column 1 may be incorrect because correlation between the country’s error terms over time results in incorrect standard errors. This source of error can arise when the omitted variables included in a country’s error term are correlated across time periods. For example, this model fails to adequately control for the creation of a new entrepreneurial cluster, the allocation of substantial national resources to venture capital, or entrepreneurial success that reduces a country’s fear of failure, all within the 2002–2010 timeframe. Since the development of Silicon Valley precedes this timeframe, it is included in country fixed effects. However, other entrepreneurial clusters in countries in the dataset were developed in the middle of this time frame and are thus not included in country fixed effects. For example, cities such as London, New York, Berlin, and Tel Aviv did not develop the networks to support entrepreneurs with access to venture capital and experienced entrepreneurs until the middle or end of this time frame. In order to address this source of error, Column 2 reports standard errors that are clustered at the country level to allow for correlation within a country over time.37, xxiii

While the point estimates remain unchanged, the magnitude of clustered standard errors changes slightly, which impacts the level of significance for many explanatory variables. In Column 2, the regression results are presented for a panel data model with clustered standard errors at the country level. Per-capita GDP and its quadratic are both statistically significant at the 0.01 level and 0.05 level, respectively, and jointly significant at the 0.01 level with a p-value of 0.0018. Access to capital and the Social Desirability Index remain statistically significant at the 0.01 level. The effect of the cost of starting a business loses statistical significance when the model includes clustered standard errors.xxiv

To test the effect of regulatory constraints on formal-sector entrepreneurship, Column 3 of Table 4 reports the regression results for the business entry density rate, or the number of new businesses with limited liability per 1,000 persons, an alternative measure of entrepreneurial activity. Provided by the Doing Business dataset, the business entry density rate measures the number of new businesses with limited liability per 1,000 working-age people (aged fifteen to sixty-four) per year.38, xxv In this panel dataset, the mean level of business density is 3.40 with a standard deviation of 3.21. The minimum is the Dominican Republic with a business entry density rate of 0.41, and the maximum is Panama with a business entry density rate of 16.36. In order to establish limited liability, entrepreneurs must recognize their business operation as a formal business that must adhere to the regulations imposed by the state. In the very early stages of a business, when entrepreneurs are exploring the business opportunity or working on their business plan, they probably will not obtain limited liability. As entrepreneurs begin to expand and hire employees, the incentive to have legal protection through limited liability increases. A company must have limited liability in order to receive venture capital. Therefore, this measure of entrepreneurship focuses on later-stage entrepreneurs, while the TEA captures very early stage entrepreneurs. Since the process and expense of obtaining limited liability varies by country, entrepreneurs will likely seek limited liability at different stages in different countries. While TEA includes both the formal and informal sector, the business entry density rate just measures new business entering the formal sector.

Consistent with the previous models, the effect of the percentage of the population engaged in venture capital is statistically significant at the 0.05 level when the business entry density rate is the dependent variable. While the Social Desirability Index influences the decision to become an entrepreneur as measured by TEA, the index has a statistically insignificant effect on business entry density rate. Previous results suggest that societal approval influences the decision to engage in entrepreneurial activity. However, the results of Column 3 in Table 4 indicate that societal approval has a statistically insignificant influence on early-stage entrepreneurial success. Although the size of the urban population and the level of unemployment have a statistically insignificant effect on TEA, they both have a statistically significant influence on entrepreneurial success. A one percentage-point increase

xxiii Clustered standard errors are also known as heteroskedasticity and autocorrelation consistent standard errors.
xxiv When the models present in Columns 1 through 3 remove time effects from the models, the effect of unemployment becomes negative and statistically significant at the 0.01 level.

xxv According to the Doing Business dataset, “Limited liability is a concept whereby the financial liability of the firm’s members is limited to the value of their investment in the company. It is a separate legal entity that has its own privileges and liabilities. This study collects information on all limited liability corporations regardless of size. Partnerships and sole proprietorships are not considered in the analysis due to the differences with respect to their definition and regulation worldwide.” Doing Business, “Entrepreneurship,” http://www.doingbusiness.org/data/exploretopics/entrepreneurship/methodology
in unemployment is associated with a 0.161-unit decline in the business entry density rate, which suggests that, in a poor economy, startups are less likely to succeed or enter the formal sector by obtaining limited liability protection. A one percentage-point increase in the percentage of the population living in urban agglomerations is associated with a 0.056-unit increase in the business entry density rate. As countries develop strong urban agglomerations, entrepreneurs may have greater access to business networks to help them succeed. Additionally, in more developed countries, the incentive to have limited liability protection may increase, as entrepreneurs may have a greater chance of being sued or caught for operating in the informal sector. Although the cost of starting a business has a statistically insignificant effect on entrepreneurship as measured by TEA, it has a negative and statistically significant effect on business entry density rate. A one percentage-point increase in the cost of starting a business as percentage of per-capita income is associated with a 0.054-unit decline in business entry density rate. While regulatory constraints do not influence the decision to engage in entrepreneurial activity in models with clustered standard errors, they appear to have an effect on the decision to obtain limited liability and enter the formal sector. All other explanatory variables are statistically insignificant and have signs consistent with this article’s theory.

Based on the results of the panel data analysis, the access to capital, measured by the percentage of the population engaged in venture capital, has the most statistically significant impact on entrepreneurial activity across the different panel data models. Capital constraints limit entrepreneurship as measured by both TEA and the business entry density rate. Therefore, access to capital affects both the decision to engage in entrepreneurship and then early-stage entrepreneurial success. Efforts to promote entrepreneurship could begin with an initiative to improve access to capital. While regulatory constraints have a positive or statistically insignificant effect on TEA, they have a negative and statistically significant impact on business entry density rate. This suggests that entrepreneurs work to overcome any regulatory constraints when they commit to starting a business, but regulation reduces the incentive to obtain limited liability. Extensive regulations could also reduce the likelihood of achieving early-stage entrepreneurial success. While taxes and high start-up costs slightly reduce formal-sector entrepreneurial activity, based on these results, they appear not to impact the decision to become an entrepreneur as measured by TEA. Although regulation on new firms likely helps protect consumers and the environment, policymakers should understand that it might limit formal-sector entrepreneurial activity as measured by the business entry density rate.

Overall, these results imply that initiatives to promote entrepreneurship should be comprehensive in scope and address all components from promoting the venture capital industry to increasing the level of economic development and improving the societal perception of entrepreneurship. Building on these empirical results, the next and final section offers policy implications for governments that seek to promote entrepreneurial activity.

IV. POLICY IMPLICATIONS

Based on the results of the empirical models presented in the previous section, this chapter provides policy implications for governments that seek to promote entrepreneurial activity. Although policymakers can promote economic growth by supporting existing firms, this study considers policies that encourage new firm creation. While the results from the empirical model suggest that levels of entrepreneurship vary with the level of per-capita GDP, this section highlights the key factors that limit and support national levels of entrepreneurial activity in high- and upper-middle-income countries. Since Silicon Valley is considered the world’s leader in entrepreneurial activity, this section also contains insights from the success of Silicon Valley that are relevant for governments seeking to promote entrepreneurship. In addition to presenting the main findings of the study, this section presents opportunities for future research.

Across all regression models presented in the previous section, access to capital has a positive and statistically significant influence on the level of entrepreneurial activity. Without capital, innovative ideas that initiate the process of “creative destruction” cannot be realized. For new entrepreneurial communities, this poses an even bigger challenge, as entrepreneurial success is a great incentive for investors to allocate funds towards entrepreneurial activity. Once funding

xxvi 70 percent of venture-backed companies in the United States with valuations of at least $1 billion operate in Silicon Valley. Furthermore, approximately half of all venture capital in the United States is invested in Silicon Valley. Cromwell Schubarth, “24 billion-dollar startups: 70% from Silicon Valley, San Francisco,” Silicon Valley Business Journal (October 2013): 1.
begins to flow into a community, a feedback loop is created through endogenous growth. Since successful entrepreneurs have greater insights into the factors that drive startup success and failure, they are well-positioned to become venture capitalists, who then provide further funding into the communities they are involved in. In addition to supplying capital, they share their entrepreneurial experiences and business acumen with the firms in which they invest. However, the greatest challenge in creating an entrepreneurial cluster is helping the first generation of entrepreneurs access startup capital.

The history of Silicon Valley demonstrates how successful entrepreneurs can become venture capitalists who help perpetuate entrepreneurial activity in their region. Silicon Valley’s early entrepreneurs built their technology businesses with government contracts for war technology and support from Stanford University. In fact, from 1951 to 1953, firms in California earned thirteen billion dollars in prime military contracts, and the state’s share of military contracts increased from 13.2 percent to 26 percent. Although a portion of that money went to the aerospace industry in Los Angeles and San Diego, Silicon Valley firms succeeded by catering to the needs of the military market. Military contracts both funded new research and transformed small startups into big businesses. After establishing the foundation of their businesses with public resources, these businesses re-oriented their firms towards consumer markets and built a thriving entrepreneurial community. Government contracts served as a key catalyst for the creation of Silicon Valley, the world leader in entrepreneurship. If public resources can help regions overcome initial capital constraints, then successful startups can re-invest their profits into new firms in the area. Given the importance of the venture capital industry for national levels of entrepreneurial activity, governments could direct resources towards capital for new companies. For example, governments could provide startup capital through loans, create grant programs for entrepreneurs, or provide government contracts that would support new firm creation and possibly a cycle of entrepreneurship.

Due to the risk surrounding the venture capital industry, not all projects that receive financial backing will succeed, but projects that fail may still further the process of “creative destruction.” According to Shikhar Ghosh, a lecturer at Harvard Business School, approximately 75 percent of venture-backed companies in the U.S. fail to return investors’ capital. For example, Solyndra, a Silicon Valley producer of solar power arrays, received $535 million in loans from the federal government as part of President Obama’s $80 billion clean technology program. However, competition from Chinese manufacturers that had been subsidized by China undercut Solyndra in the U.S. market. From December 2010 to August 2011, the price of a solar array fell 42 percent, according to the Energy Department. Solyndra filed for bankruptcy on September 1, 2011. While some analysts suggest that Solyndra’s solar panels were excessively expensive to produce and view Solyndra as an example of poor government investing, other solar panel companies such as Evergreen Solar and SpectraWatt, which received financial backing from Intel and Goldman Sachs, also failed as a result of the fall in solar panel prices caused by China’s subsidies to its own solar panel industry. Furthermore, Solyndra received $1 billion in private investment in addition to the public loan. While Solyndra failed, future entrepreneurs can advance renewable technology by learning from Solyndra’s mistakes. Although Solyndra could not offer competitive prices, it advanced the process of “creative destruction” by developing thin-film solar cells that could be further developed by future renewable technology companies. Governments must understand that failure can be a part of “creative destruction” and that public support for new technologies—regardless of whether they ultimately fail or succeed—can serve as a catalyst for technological development, as it did in Silicon Valley.

In addition to providing resources, public funding for new firms could also help shape perceptions of entrepreneurial activity. Based on the panel data regression models, societal approval has a positive and statistically significant influence on entrepreneurial activity. While successful entrepreneurs will likely improve the perception of entrepreneurship as a desirable career path, the biggest challenge is encouraging the first generation of entrepreneurs in a geographical area to take the risk of leaving existing firms to start their own. In Silicon Valley, Stanford University Professor Fred Terman encouraged his students to start their own companies near Palo Alto as opposed to working for existing electronics companies on the East Coast. For instance, he encouraged the founders of HP, William Hewlett and David Packard, to build...
their business after graduation and then invested in the company himself. Furthermore, following World War II, Terman designed the Stanford Industrial Park, later renamed the Stanford Research Park, which provided affordable office space to new companies. The Stanford Industrial Park was opened in 1951 with the mission to create “a center of high technology close to a cooperative university.” By greatly encouraging cooperation between businesses and academics in the area, Terman attracted new industries to offer better employment opportunities for his students. East-Coast technology companies such as General Electric and Eastman Kodak decided to lease office space and establish research laboratories there. Even IBM built office space close to Stanford in 1952. Stanford thus created a collaborative space for high-tech companies to grow in Silicon Valley, thereby encouraging high levels of entrepreneurial activity. Governments that seek to direct workers into new firms as opposed to existing corporations could provide support like capital and office space, following the model of the Stanford Research Park, to help make entrepreneurship a more desirable career path.

With the support of Stanford and resources from public contracts, Silicon Valley’s early entrepreneurs helped foster a culture of innovation that encouraged risk-taking and improved perceptions of entrepreneurial activity. While many such entrepreneurs helped shape this culture, one career that exemplifies the unique culture that defines Silicon Valley is that of Robert Noyce. A graduate of MIT, Noyce moved to Mountain View, California, in 1956 to work for the Shockley Semiconductor Laboratory. After leaving Shockley, Noyce cofounded Fairchild Semiconductor in 1957. By the time he left Fairchild in 1968 to create Intel, Fairchild had 11,000 employees and $12 million in profits. Instead of managing successful firms for long periods of time, Noyce and other early Silicon Valley entrepreneurs decided to create new firms in order to develop both new ideas and the surrounding area. After a successful career as an entrepreneur, Noyce decided to retire from daily management at Intel in 1975 to focus on supporting the next generation of high-tech entrepreneurs in Silicon Valley by serving on boards, investing in startups, and working to improve business opportunities in Silicon Valley. Rather than growing out of large corporations, Silicon Valley became prosperous through many small but innovative firms created by entrepreneurs like Noyce who had left profitable firms to start new ones. While Noyce felt personally compelled to continuously create new companies, governments that seek to promote entrepreneurship could try to persuade successful entrepreneurs to leave their established companies and start anew. Furthermore, governments could create programs that encourage successful entrepreneurs to invest their time and resources into new companies to foster a community of firm creation.

With the support of public contracts and Stanford University, Silicon Valley’s early entrepreneurs were able to implement their ideas and then help future entrepreneurs do the same by creating an innovative culture of small “spinoff” firms. Through the support of the public sector, the private sector, the academic community, and driven entrepreneurs, Silicon Valley minimized the impediments to entrepreneurship and promoted entrepreneurial success. After the successes of HP, Fairchild Semiconductor, and Intel, starting a new firm in the area became more feasible and attractive, and these early successes inspired hundreds of “spinoff” firms in Silicon Valley.

While social desirability has a statistically significant impact on entrepreneurship in panel data models, tax and regulation have a statistically insignificant impact on the total entrepreneurial activity. These results suggest that the decision to become an entrepreneur is not affected by the level of regulation, so policymakers should not worry about the effect of new taxes and regulations on startup activity. However, when the dependent variable only measures formal-sector entrepreneurial activity, the cost of starting a business becomes negative and statistically significant. While regulation might not affect the decision to become an entrepreneur, it affects the distribution between the formal and informal sectors. Although regulation and corporate taxes provide positive externalities to the consumer, governments that seek to promote entrepreneurship should be aware of their negative impact on the business entry density rate. To increase the business entry density rate, governments could lower the tax rate on profits for companies’ first ten years of operation.

In sum, based on the regression results, the most effective policy to promote entrepreneurial activity must be comprehensive in scope and address both capital constraints and societal perceptions of entrepreneurial activity. After a few entrepreneurs achieve success in a geographical area, investors will likely al-
may become entrepreneurs in an effort to emulate their success. Public funding for new entrepreneurs could provide both access to capital and societal approval for new firms. With a few entrepreneurial successes, access to capital and societal approval for entrepreneurship will increase and promote a cycle of new firm creation.

While the empirical results presented in the panel data section of this paper reveal that societal approval affects entrepreneurship, future research could investigate factors that shape and change perceptions of entrepreneurship. For example, societal perceptions of the risk associated with entrepreneurship could be driven by the number of successful entrepreneurs in a country, the portrayal of entrepreneurs in the media, or the extent of government support for entrepreneurs. Once research identifies factors that shape perceptions of entrepreneurship, policymakers will have better information on how to alter such perceptions.

Since existing firms can initiate the process of “creative destruction,” future research could also investigate factors that drive existing firms to remain entrepreneurial and continue to develop new products and services. Data on new firms acquired by older firms could provide insights on where valuable innovation occurs in a country. Although this study focuses on national factors that influence early-stage entrepreneurial activity, future research could investigate factors that drive entrepreneurial success on a national level. Governments that promote entrepreneurial activity hope that new firms will initiate “creative destruction” and create new jobs; however, new firms must achieve success in order to provide benefits to society. Building upon this research on factors that influence the decision to become an entrepreneur, future research could identify determinants of entrepreneurial success in both existing and new firms.

**DATA APPENDIX**

\[ \text{Ent}_{it} = \text{Total early-stage entrepreneurial activity in county } i \text{ in year } t \]

Definition from the *Global Entrepreneurship Monitor*: “Percentage of the 18-64 population who are either a nascent entrepreneur or owner manager of a new business. The nascent entrepreneurship rate is the percentage of 18-64 population who are currently a nascent entrepreneur, i.e., actively involved in setting up a business they will own or co-own; this business has not paid salaries, wages, or any other payments to the owners for more than three months. The new business ownership rate is the percentage of 18-64 population who are currently an owner-manager of a new business, i.e., owning and managing a running business that has paid salaries, wages, or any other payments to the owners for more than three months, but not more than forty-two months.”

\[ R_{it} = \text{Measures of regulatory constraints that includes the procedures, time and cost associated with starting a business in county } i \text{ in year } t \]

Definition from *Doing Business*: “Doing Business measures the number of procedures, time and cost for a small and medium-size limited liability company to start up and formally operate. The cost is reported as a percentage of the per capita income. To make the data comparable across 189 economies, Doing Business uses a standardized business that is 100 percent domestically owned, has start-up capital equivalent to 10 times income per capita, engages in general industrial or commercial activities and employs between 10 and 50 people within the first month of operations.”

\[ T_{it} = \text{Total tax rate in county } i \text{ in year } t \]

Definition from *Doing Business*: “The total tax rate measures the tax cost borne by the standard firm. The total tax is reported as a percentage of profit.”

\[ E_{it} = \text{Average schooling (years) in county } i \text{ in 2005} \]

Definition from *World Development Report 2013*: “Mean of highest completed level of formal schooling among all persons aged 15 and above.”

\[ S_{it} = \text{Percentage of the population who thinks an entrepreneur has a high social status in county } i \text{ in year } t \]

Definition from *Global Entrepreneurship Monitor*: “Percentage of 18-64 population who agree with the statement that in their country, successful entrepreneurs receive high status.”

\[ N_{it} = \text{Percentage of the population who knows someone who started a business in county } i \text{ in year } t \]

Definition from *Global Entrepreneurship Monitor*: “Percentage of 18-64 population who personally know someone who started a business in the past two years.”
\( F_{it} \) = Percentage of the population who states that fear of failure would prevent them from starting a new business in county \( i \) in year \( t \)

Definition from Global Entrepreneurship Monitor: “Percentage of 18-64 population with positive perceived opportunities who indicate that fear of failure would prevent them from setting up a business.” 57

\( C_{it} \) = Percentage of the population who lives in urban agglomerations of more than 1 million in county \( i \) in year \( t \)

Definition from World Development Indicators: “Population in urban agglomerations of more than one million is the percentage of a country’s population living in metropolitan areas that in 2000 had a population of more than one million people.” 58

\( VC_{it} \) = Percentage of the population who personally provided funds for a new business started by someone else (excluding any purchases of stocks or mutual funds) within the past three years in county \( i \) in year \( t \)

Definition from Global Entrepreneurship Monitor: “Percentage of 18-64 population who have personally provided funds for a new business, started by someone else, in the past three years.” 59

\( U_{it} \) = Unemployment, total (% of total labor force) in county \( i \) in year \( t \)

Definition from World Development Indicators: “Unemployment refers to the share of the labor force that is without work but available for and seeking employment. Definitions of labor force and unemployment differ by country.” 60

\( I_{it} \) = Immigrants (% of total population) in county \( i \) in year \( t \)

Definition from World Development Report 2013: “Share of the population that is foreign born; in percent.” 61

\( P_{it} \) = Patent applications by residents and non-residents as a percentage of the population in county \( i \) in year \( t \)

Definition from World Development Indicators: “Patent applications are worldwide patent applications filed through the Patent Cooperation Treaty procedure or with a national patent office for exclusive rights for an invention—a product or process that provides a new way of doing something or offers a new technical solution to a problem. A patent provides protection for the invention to the owner of the patent for a limited period, generally 20 years.” 62

\( Y_{it} \) = GDP per capita (in hundreds of PPP$) in county \( i \) in year \( t \)

Definition from World Development Indicators: “GDP per capita based on purchasing power parity (PPP). PPP GDP is gross domestic product converted to international dollars using purchasing power parity rates. An international dollar has the same purchasing power over GDP as the U.S. dollar has in the United States.” 63

\( SC_{it} \) = Severance pay and others costs associated with redundancy dismissal measured in weeks of salary per separated worker in country \( i \) in year \( t \)

Definition from World Development Report 2013: “Separation costs include the cost of advance notice requirements, severance payments and penalties in the case of redundancy dismissals justified by economic, operational or structural reasons, not by the behavior of the worker.” 64

The economies in the full sample, arranged by World Bank 2012 income level include:

Upper-middle-income economies (23): Algeria, Argentina, Bosnia and Herzegovina, Brazil, Chile, China, Colombia, Dominican Republic, Ecuador, Hungary, Jamaica, Jordan, Lebanon, Malaysia, Panama, Peru, Portugal, Romania, Serbia, South Africa, Tonga, Tunisia, and Venezuela.

High-income economies (27): Australia, Belgium, Croatia, Denmark, Finland, France, Germany, Greece, Hong Kong, Iceland, Israel, Italy, Japan, Korea, Latvia, Netherlands, Norway, Russia, Saudi Arabia, Slovenia, Spain, Switzerland, Sweden, United Kingdom, United Arab Emirates, United States and Uruguay.

The economies in the 2009 sample include:
United States, Russian Federation, South Africa, Greece, Belgium, France, Spain, Hungary, Italy, Romania, Switzerland, United Kingdom, Denmark, Germany, Peru, Brazil, Chile, Colombia, Malaysia, Japan, South Korea, Netherlands, Algeria, Finland, Serbia, Panama, Venezuela, Ecuador, Dominican Republic, and Jordan.
Individual-Level Model Appendix

The individual-level model assumes that a person has two choices for economic activity: entrepreneur or employee. The individual’s decision depends upon the perceived risks and rewards associated with the choices, and each choice has different financial and psychic costs and benefits.

While an employee assumes less risk of economic failure than an entrepreneur does, the employee also has less control over the business and stake in the potential rewards. An employee can count on a fixed paycheck of a known amount on a predetermined day. The self-employed entrepreneur’s salary varies and depends upon both the success of the firm and the percentage of the profit that the entrepreneur decides to reinvest in the company. On the other hand, the employee can be fired on a given day due to poor performance, closing or restructuring of the business, or the boss’s whim. Unlike the employee, the entrepreneur must develop and execute a strategy to earn a profit or raise investment, a process that involves great uncertainty and risk. Although entrepreneurs have greater control over their professional life as the firm’s leader, they must assume responsibility for the direction and vision of the company. They are held accountable for its success or failure, and as single proprietors or partners of a firm are personally liable for the debts of the business.

In the early stages of the entrepreneurial process, prior to committing to their business idea, aspiring entrepreneurs may assess the market opportunity while maintaining their position as a paid employee of another firm. Depending on the extent of the market research, the entrepreneur can probably balance employment with conducting research in the evenings or on weekends. In order to devote more time to early-stage entrepreneurial research, aspiring entrepreneurs may switch to part-time employment. Aspiring entrepreneurs with a lower risk tolerance will prefer this strategy of remaining employed, at least part-time, until the new business idea gains traction. In order to receive angel investment or a bank loan, entrepreneurs must develop a business plan that establishes a clear strategy and includes a target market, financial model, distribution channel, marketing strategy, sales strategy, revenue streams, cost structure, and five-year business projections. After assessing the market, an individual may conclude that the potential benefits exceed the risks or decide that a profitable business opportunity is nonexistent. Once aspiring entrepreneurs have a viable product and begin implementing their marketing and sales strategy, they may allocate all of their economic activity to entrepreneurship. For older entrepreneurs who have accumulated enough capital to fund their own startup, the initial process will have greater flexibility because they will not have to meet the expectations of investors. Furthermore, experienced entrepreneurs with an established track record for success can more easily raise capital. The optimal allocation of time between entrepreneurship and employment will change based on the individual’s life cycle and the stage of the startup.

The gains from entrepreneurial activity encompass financial, social, and psychological gains. Depending upon the individual’s risk preferences, the entrepreneur will have varying psychic gains from starting a business; for example, individuals with a higher risk tolerance will experience higher psychic gains as entrepreneurs than as employees. Additionally, people with higher needs for control, desire for power, or independence will derive greater psychic gains from entrepreneurial activity. Since the entrepreneurs decide whom to hire in their company, they could receive psychological benefits from being compatible with their employees and in control of the people with whom they work. The financial gains include the wage that the entrepreneur receives and the potential profits. Furthermore, these entrepreneurial gains vary depending upon the stage of the business; an entrepreneur may suffer losses both financially and psychologically in the first few years, but then experience gains after successfully establishing the initial infrastructure and strategy.

Given the high uncertainty and failure rate of entrepreneurs, many individuals may derive greater utility from advancing their careers within the security of an existing organization and earning a stable income. If an employee works for a prestigious firm, the employee probably receives greater social and psychological gains. The dynamic that employees have with their co-workers or boss will influence the social and psychological gains of employment. When employees are compatible and enjoy the firm’s corporate culture, the gains from employment increase.

A utility-maximization model is used to represent an individual’s allocation of time between entrepreneurship and employment.\textsuperscript{xxvii} I assume that the theoretical model presented in this chapter is based on a model of criminal behavior developed by Sjoquist (1973). See Sjoquist, David Lawrence.
financial gain per unit of time from entrepreneurial activity \((g_e)\) is constant and independent of the larger macro influences. The psychic income that a successful entrepreneur receives \((n_e)\) is also constant per unit of time. The total gain from entrepreneurial activity \((g_e + n_e) \cdot t_e\) depends solely upon the amount of time that the individual invests in the firm \(t_e\) over a one-year period.xxviii Similarly, I assume that the financial gain per unit of time spent as an employee \((g_w)\) and the psychic gain per unit of time spent as an employee \((n_w)\) are constant, so the total gain from employment is given by

\[
(g_w + n_w) \cdot t_w, \text{ where } t_w \text{ is time as an employee over a one-year period.}
\]

The net cost of business failure \((\bar{p})\) for the entrepreneur includes quasi-fixed costs and variable costs that depend upon the amount of time spent as an entrepreneur. An entrepreneur experiences quasi-fixed costs associated with business failure \((p^* + \bar{p})\) due to loss of self-esteem and capital, but possibly also quasi-fixed gains due to an expanded skill set and liquidated accumulated assets \((g^*)\). These gains help offset the loss of esteem and uncovered debt. The variable costs of failure include potential loss of references or contacts for future employment, which are directly related to the time spent as an entrepreneur \((k \cdot t_e)\), where \(k\) is a constant. Therefore, the model assumes that \(\bar{p} = p^* - g^* + kt_e\), \(\partial \bar{p} / \partial t_e = k\). The likelihood of business failure \((r)\) is contingent upon the individual's background and the macro factors \((M)\) that influence entrepreneurial activity. The availability of capital \((c)\), whether raised from personal wealth, angel investors or bank financing, education \((e)\), and the individual's standard of success \((\hat{y})\) all influence the probability of failure.

\[
r = r(c^-, e^-, \hat{y}^+, M^\pm)
\]

When entrepreneurs have access to greater resources, the probability of failure declines. Furthermore, entrepreneurs who succeed at raising venture capital may gain access to the entrepreneurial experience and acumen of the venture capitalists. Higher levels of education reduce the entrepreneur's probability of failure. As entrepreneurs establish higher standards for success, the probability of failing to attain those standards increases. As discussed earlier, macro conditions will affect the entrepreneur's probability of success. Nevertheless, for simplicity, I will regard the probability of failure \((r)\) as exogenous, predetermined by the individual.

While many additional factors influence the individual's risk reward profile, the expected utility for economic activity is given by the following equation:

\[
E(U) = (1-r)U_1[(g_e + n_e)t_e + (g_w + n_w)t_w] + rU_2[(g_e + n_e)t_e + (g_w + n_w)t_w - \bar{p}]
\]

where \(E(U)\) is the expected utility over the period (year), which is the weighted average of the utility of the individual if successful as an entrepreneur,

\[
E(U) = (1-r)U_1[(g_e + n_e)t_e + (g_w + n_w)t_w],
\]

and the utility if the individual fails as an entrepreneur,

\[
r = \text{probability of failure as an entrepreneur (0 < r < 1)}
\]

\[
t_e = \text{time spent as an entrepreneur (hours per year)}
\]

\[
t_w = \text{time spent working as an employee (hours per year)}
\]

\[
t = \text{time allocated to economic activity (as an entrepreneur or employee)}
\]

\[
g_e = \text{income earned as entrepreneur (wage rate per hour)}
\]

\[
g_w = \text{income earned as an employee (wage rate per hour)}
\]

\[
n_e = \text{psychic income from entrepreneurial activity (per hour)}
\]

\[
n_w = \text{psychic income from employment (per hour)}
\]

\[
\bar{p} = \text{the net cost of failing as an entrepreneur, which includes the net quasi-fixed costs}
\]

\[
(p^* - q^*)\text{ and the variable costs (k \cdot t_e) for finding a job that is directly related to how long the individual spent as an entrepreneur}
\]

Individuals will maximize this expected utility subject to the following time constraint:

\[
t = t_e + t_w. \text{ In this model, we assume positive, but diminishing, marginal utilities of income}
\]

---

xxviii Due to the potentially large shifts in entrepreneurial income over time, a longer-term model would provide a more accurate measure of the entrepreneur's expected gain. Since the gains per unit of time vary greatly depending on the phase of the business, a measure of permanent income gained from entrepreneurial activity would be more appropriate, but also mathematically more complex.
\[
(U'1 > 0, U'2 > 0, U''1 < 0, U''2 < 0) \text{ where }
\]
\[
U'1 = dU / [(g_e + n_e)t_e + (g_w + n_w)t_w] / [d(g_e + n_e)t_e + (g_w + n_w)t_w] > 0
\]
and
\[
U'2 = dU / [(g_e + n_e)t_e + (g_w + n_w)t_w - \bar{p}] / [d(g_e + n_e)t_e + (g_w + n_w)t_w - \bar{p}] > 0.
\]

The Lagrangian function is given by the following equation, where \( \lambda \) is the Lagrange multiplier:
\[
L(t_e, t_w, \lambda) = E(U) + \lambda (t - t_e - t_w)
\]
The first order conditions are:
\[
\partial L / \partial t_e = (1 - r) U'1 (g_e + n_e) + r U'2 (g_e + n_e - k) - \lambda = 0
\]
\[
\partial L / \partial t_w = (1 - r) U'1 (g_w + n_w) + r U'2 (g_w + n_w) - \lambda = 0
\]
\[
\partial L / \partial \lambda = t - t_e - t_w = 0
\]

Note that \( \lambda^* = E(\bar{U})/dt \). \( \lambda^* \), or the optimal value of \( \lambda \), represents the marginal utility of time. It reveals the rate of increase of the maximum value of expected utility as the time constraint is relaxed. From the first two marginal conditions, the optimal decision rule for the allocation of time can be derived.

\[
(1 - r) U'1 / r U'2 = [(g_w + n_w) - (g_e + n_e) + k] / [(g_e + n_e) - (g_w + n_w)]
\]

**Figure 2:** Individual’s Optimal Entrepreneurial Activity

or

\[
(\text{expected marginal utility if entrepreneur/ } \text{expected marginal utility if employee}) = (\text{net opportunity cost if entrepreneur/ } \text{net opportunity cost if employee})
\]

The ratio of the marginal utilities reveals the marginal rate of substitution between time spent as an entrepreneur and employee. This ratio is the slope of an indifference curve in the graph below because it reveals the amount of entrepreneurial time an individual is willing to substitute for an additional unit of employment time while maintaining the same level of expected utility. (See Figure 2.) It explains the tradeoff between the two economic activities given the potential gains, costs, and probability of failure associated with entrepreneurial activity. Individuals are constrained by the amount of time they can devote to economic activity, and the ratio of the opportunity costs identifies the relative opportunity costs of the individual devoting time to being an employee or entrepreneur given the time constraint \( t \). When these two ratios are equal, the individuals maximize their marginal utility subject to the time constraint. At this point, the individual reaches the highest level of satisfaction from economic activity given the net costs of the different types of economic activity and the time constraint.

At point A, the individual maximizes utility subject to the time constraint by devoting all economic time to entrepreneurial activity.xxix If this individual were to devote an additional unit of economic time to employment, the level of utility would fall to a lower indifference curve, as shown by the arrows. At this point, the net opportunity cost of being an employee is given by \([g_w + n_w - (g_e + n_e)] \times t \). At point C, the individual maximizes utility by devoting all economic time to employment. The net opportunity cost of being an entrepreneur is given by \( g_e + n_e - g_w + n_w - k \). At the points of tangency,

\[
-[g_w + n_w - (g_e + n_e)] / [(g_e + n_e) - (g_w + n_w)] - k] = -r U'2 / (1 - r) U'1
\]

xxix The corner solutions, points A and C, are not necessarily the points of tangency between the indifference curves and the time constraint, as with nonlinear programming. If these are not points of tangency, the marginal conditions would not strictly hold and the non-negativity constraints would apply.
or the ratio of the net opportunity costs, equals the ratio of the expected marginal utilities, which relates to the condition previously derived from the first-order conditions. Note, when the probability of failure ( increases, the indifference curve mapping becomes steeper. Ceteris paribus, this would increase the time spent as an employee.

In general, the reduced form equations for the choice variables are:

\[
\tilde{t}_c = e(g_c^+, n_c^+, g_w^-, n_w^-, r^-, \tilde{p}^-, r^+),
\]

\[
\tilde{t}_w = e(g_c^-, n_c^-, g_w^+, n_w^+, r^+, \tilde{p}^+, t^+),
\]

where \( r = r(c^-, c^+, g^+, m^+) \) and \( \tilde{p} = p(p^+, g^*, k^+) \)

and are the optimal values found from solving first-order conditions.

The equation for \( \tilde{t}_c \) represents the individual’s demand for entrepreneurial activity, and the equation for \( \tilde{t}_w \) represents the individual’s demand for employment, with the influences indicated by the signs over the arguments.

Works Cited

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LEGACY OF THE FIGHTING PEACOCK: ANALYZING THE ROLE OF STUDENT ACTIVISM IN BURMESE DEMOCRATIC MOVEMENTS

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ABSTRACT
Historically, student activism played a prominent role in Burmese democratic movements, yet today its role has diminished. This thesis investigates the rise and decline of Burmese student activism along three levels of analysis—international, state, and civil society—using over sixty first-hand interviews conducted by the author with student leaders from the past fifty years. It analyzes Burmese student movements through the “dynamics of contention” approach to social movements. Most prominently, the theory of political opportunity structures (POS) is applied to the state-level analysis. The analytical framework follows a chronological order of three phases: 1962 to 1988; 1988 to 2000s; and 2000s to today.

INTRODUCTION
The Emergence of Student Activism in Burma

Since the final decades of the colonial era, the Fighting Peacock has remained the symbol of Burmese student movements, whether against the British colonial government or the military government of General Ne Win. In the words of Phyo Min Thein, former Secretary-General of the All Burma Federation of Student Unions, “Student activism is very deep-rooted in Burma’s history,” with students pushing for both widened student autonomy and the end of the dictatorship.1 In the 1930s and 1940s, student leaders led the struggle for independence from British rule and later became political leaders. General Ne Win’s coup d’état on March 2, 1962, marked the beginning of Burma’s fifty years of military rule, but student activism continued to challenge dictatorship during this period. Before the coup, the Rangoon University Act had protected the academic autonomy of Rangoon University. On May 9, 1962, however, the Rangoon University Act was annulled by the Revolutionary Council that had taken over the administration of the university. On July 7, approximately 2,000 students from Rangoon University participated in a mass meeting in response to the Act’s abolition. According to student activist and author Lay Myint, “virtually the whole university” showed up to protest the suppression of university autonomy under the new military government.2 Another massive protest occurred in 1974, when General Ne Win’s refusal to hold a state funeral for former United Nations Secretary-General U Thant triggered 8,000 Burmese to join a student-led protest against the dictatorship on December 10.3 The 1988 Uprising, triggered by Ne Win’s sudden withdrawal of banknotes without compensation in September 1987 and brutal suppression on student protests in March 1988, reached its climax in the student-led nationwide general strike on August 8, in which millions of Burmese demonstrated on the streets against military rule. Despite military repression, student protests broke out again in the 1990s. Hundreds of students demonstrated in Yangon in December 1996 to call for improvements in education and the right to establish student unions free from military control.4 Student protests took place again in August and September of 1998 to support the National League for Democracy’s (NLD) demand to convene the parliament according to the 1990 elections, as the military had refused to recognize their loss and hand over power to the League. This brief history demonstrates the influential role of student activism in Burma’s democratic movements. In short, student movements have historically been the country’s political vanguard.

Student activism has been a prominent feature of mass democratic movements across Asia.5 My thesis focuses on the political circumstances that led to the rise and decline of student activism in Burma along three levels of analysis: (1) the international environ-
ment; (2) the state; and (3) civil society.\textsuperscript{6, iii} I also draw upon the “dynamics of contention” approach to social movements to explain the trajectory of student activism in Burma. In particular, I apply the theory of political opportunity structures (POS) in my state-level analysis to explain how state actions constrained political opportunities for opposition movements in Burma. In my analysis of civil society, I draw upon the concept of actor constitution to illustrate how Burmese student groups cultivated a student activist identity in response to state oppression. My analytical framework is divided into three phases: 1962-1988; 1988-2000s; and 2000s-present, which correspond to three historical phases of state-led changes in political opportunities that affected the nature of contentious politics among Burmese student groups.

This thesis looks at the state level in detail because of the relative insignificance of the international dimension in the case of Burma. More importantly, the state has had a decisive influence over the political context in which student and civil society groups have operated since 1962. In the first phase, the military regime isolated the country; in the second phase, the country was isolated economically through international sanctions and access to foreign media was largely limited. Today, Myanmar is still at a very early stage of global engagement.

Between 1962 and 1988 (phase 1), student groups thrived because they had a unique opportunity to emerge as the country’s sole viable opposition. However, state actions weakened political opportunities for student movement growth after 1988 (phases 2 and 3). Two significant changes in political opportunity structures helped shape the subsequent response and actions of civil society. First, the strengthening of political control over education after 1988 destroyed the foundation of student activism and led to its decline. Second, while the release of 1,988 student leaders in 2005 contributed to the temporary re-emergence of the historic All Burma Federation of Student Unions in 2007, state-led political reforms from 2011 onwards have fostered a pluralistic society with political space for the proliferation of student groups and other elements of civil society. These developments weakened the power of Myanmar’s student groups, transforming them from significant political actors into the dispersed, largely apolitical entities they are today.

\section*{BACKGROUND}

\subsection*{Dynamics of contention: a literature review}

The dynamics of contention approach focuses on the interplay between the state and contentious political actors to elucidate how social movements emerge and develop. In a pioneering study of contentious politics, Peter Eisinger explained how “the degree to which groups are likely to be able to gain access to power and to manipulate the political system”—what he called the “structure of political opportunities”—affected how protests developed in American cities in the late 1960s. Eisinger believed that state actions were critical in expanding or constraining opportunities for contentious politics.\textsuperscript{7} Charles Tilly similarly posited that states can repress or promote social movements by “altering the relative costs of particular tactics” to potential political opponents.\textsuperscript{8} In other words, Eisinger and Tilly argued that state actions alter the extent to which political opportunities for contentious politics are available to political actors. Sidney Tarrow concisely defined political opportunity structures as “consistent—but not necessarily formal, permanent or national—sets of clues that encourage people to engage in contentious politics.”\textsuperscript{9} In other words, political opportunity structures are dimensions of political context that shape people’s expectations of success or failure in launching collective actions. When they are confident in their “capacity to bring an impact” to their social environment and have a high “prospect for successful collective actions,” they are more likely to engage in said actions since they have a greater incentive to participate.\textsuperscript{10}

Douglas McAdam summarized two of the essential components of political opportunity structures: (1) “the relative openness or closure of the institutionalized political system;” and (2) “the state’s capacity and propensity for repression.”\textsuperscript{11} POS thus provides an appropriate framework to explain the dynamics between the state and student activism, which is the core of this thesis. Herbert Kitschelt similarly divided political opportunity structures into political input structures and political output structures, a schema that is utilized in this thesis (see Figure 1).\textsuperscript{12} The former refers to states’ “openness” or “closeness” to inputs from non-established actors; in other words, the ability of informal political actors to make societal demands. The latter concerns states’ capacities (strong or

\textsuperscript{iii} This thesis borrows the idea of “levels of analysis” popularized by Kenneth Waltz in international relations theory and applies it to the study of student activism. However, the “civil society level” is used instead of the “individual level” as the smallest unit of analysis.
weak) to implement effective policies, which is used to suppress opposition rather than deliver services in this thesis. Kitschelt argued that the openness of political input structures and the strength of political output structures largely influence the nature of political opposition movements, a phenomenon that we will later observe in Burma. For example, the more closed input structures are and the stronger a state’s capacity to suppress the opposition, the more likely the political opposition will have to develop extra-institutionally, i.e., underground, as was the case in Burma. In this example, we can see how political opportunity structures determine how the political opposition emerges and develop in response to state actions.

In the landmark study of social movements, Dynamics of Contention, McAdam, Tarrow and Tilly studied fifteen political struggles throughout history and around the world, and identified “actor constitution” as one of the essential shared processes of these movements. In this process, opposition groups emerge by constructing a shared identity, or “social appropriation,” which “paves the way for innovative action by reorienting an existing group to a new conception of its collective purpose.” It may then lead to “category formation”—the “creation of a set of sites sharing a boundary distinguishing these opposition groups] to at least one set of sites visibly excluded by the boundary.” As Hank Johnston remarked, the process of actor constitution is “fundamental in resistant episodes...[b]ecause repressive states constrain freedoms of group formation,” which means that “[the way] challengers emerge is of utmost importance.” He also argued that “transgressive contention in repressive regimes must be innovative because claim-making channels are limited.” We will observe in the case of Burmese authoritarian rule, how student activists resisted and responded to brutal state repression by developing a shared identity through underground activities at university campuses and had their demands for democracy and student autonomy heard through innovative, contentious political acts.

Finally, Tilly argued that “strong distinctive identities” and “dense interpersonal networks exclusive to group members” are two important components for mass mobilization; as a result, groups fulfilling these criteria are likely groups for which it would be useful to examine the dynamics of contention. As we will see, Burmese student activism fulfills both criteria. Moreover, since there is no systematic study on the interplay between state actions and student movements in Burma, the dynamics of contention approach serves as an appropriate and novel lens to examine Burmese student movements in relation to the state.

In other cases of student activism in Asia, notably in Indonesia, South Korea, and Thailand, students acted as the leading political opposition in the struggle against authoritarianism for an extended period. In these Asian societies, Western-style university education provided students a window to new ideas, ranging from nationalism to democracy to Marxism. Among a small, educated elite, many students felt inclined to lead political changes. A sense of Indonesian nationality was developed among such students, who declared “one motherland, one nation and one language” at the 1928 Youth Pledge. Similarly, a doctrine of “passionate patriotism” developed among South Korean students in the late 1950s. In post-WWII Thailand, Marxist ideas gained popularity among educated elites and were spread by progressive publications and discussion groups that encouraged students to fight against Thailand’s military regime.

Within campus settings, students enjoyed organizational advantages absent for many other groups in civil society and that were easily mobilized in each of these countries. Students were less restricted by family responsibilities and social constraints than other groups and were exposed to peer influence through both student groups and hostels. Being outside the political sphere and uncontaminated by political corruption, they were able to occupy the moral high ground.
in Burmese society and win public support as what Edward Aspinall termed society’s “moral force.” In short, students were “morally motivated and uniquely obliged to voice…political aspirations” by making use of their social capital (e.g., exposure to Western ideas, general respect in society) as well as educational infrastructure (e.g., student groups and hostels). Therefore, students occupied a unique position in postwar Asian societies that allowed a student-based political opposition to emerge; in many ways, the political opportunities for students were greater than for many other groups in civil society.

However, as Kitschelt reminds us, the political opposition can vary greatly, as their paths are influenced largely by how much a state is willing to accommodate a plurality of opinions. While states that are open to inputs from non-establishment groups allow the opposition to work within existing political institutions, states with closed systems induce the opposition to “adopt confrontational, disruptive strategies orchestrated outside established channels.”

In postwar Asia, political input structures were closed in Indonesia, South Korea, and Thailand. In the absence of political infrastructure to absorb students’ discontent, students engaged in extra-systemic activism during Soeharto’s New Order Regime dictatorship in Indonesia (1965-98), Park Chung Hyee and Chun Doo Hawn’s dictatorship in South Korea (1961-87), and the military regime of Sarit and Thanom in Thailand (1957-73). As we will see, similar dynamics of contention played out in Burma in much of the twentieth century, where student groups enjoyed advantages over other groups in civil society but were nonetheless forced to operate underground.

Contentious politics in modern Burma: filling the gaps in research

Although many of these same dynamics were present in Burma, Burmese student movements remain understudied in English-language political science. Win Min provides a historical account from the anti-colonial struggle in the 1920s to the end of military rule in 2011 and concluded that Burmese student activism is a “historic force” in which the “historical legacy of earlier student activists…motivated subsequent generations,” in particular the role of General Aung San, who was the leader of All Burma Federation of Student Unions (ABFSU) and Rangoon University Students’ Union (RUSU), in Burma’s independence.

In this thesis, I will build on Win Min’s claim and situate the analysis in the dynamics of contention approach—the application of the POS to examine the interplay between the state and students in an “opposition vacuum”, which I argue that Burmese student activism is its product, and “actor constitution” to study how a strong student political identity developed on top of the mere claim of “historical legacy.” This allows a comprehensive understanding of Burmese student activism from both macro (state) and micro (civil society) levels, exploring the institutional and organizational relations between the state and students, and among opposition groups respectively.

In addition, Win Min provides limited information on the development of student groups after the monk-led democratic movement in 2007. This thesis fills this important gap by providing a detailed account on student activism in recent years—during Myanmar’s reform process—which has not been covered in any previous study.

At the state level, this thesis provides a systematic analysis on how the state has altered political opportunities for student activism to develop in Burma. I emphasize its rise and decline in relation to the existence of what I term an “opposition vacuum.” I define “opposition vacuum” as a state of affairs in which substantive and effective opposition is absent under authoritarian political control. In Burma, an opposition vacuum emerged after 1962 when the military government suppressed civil society groups including political parties and other opposition groups. In Burma, as in many Asian countries after WWII, students were the only group left in the vacuum with the potential to effectively mobilize against the military regime. In recent years, however, once non-student political actors and issues beyond democracy gradually emerged after 2008, the opposition vacuum contracted and the role of student groups as a significant political opposition group diminished. In other words, students were no longer in a leading position in civil society once...
pluralistic politics took shape.

At the civil society level, the concept of “actor constitution” will be applied to understand how Burmese student activists constructed a student activist identity through the “social appropriation” of political claims by pre-existing groups, including revolutionary leaders and even the current state itself. This, in turn, “[helped] redefine perceptions of threats and opportunities” among the students.30 In this analysis, it is not the state, but ideas and legacies, that helped shape political opportunity structures at the civil society level.

**METHODOLOGY**

This thesis is based on over sixty first-hand interviews conducted by the author—mainly in Myanmar, but a few in Thailand and Hong Kong. Most of the interviews were arranged through civil society organizations (CSOs) and student groups in Myanmar as well as through preexisting personal connections. I was connected to the multiple generations of student leaders through the 88 Generation Students’ Group, the Myanmar Institute of Democracy, and the Yangon School of Political Science—founded by former student leaders in 1988, 1996, and 1998 respectively. I was able to contact members of the current generation of activists as well as ordinary university students through the All Burma Federation of Student Unions, the Federation of Student Unions, and the University Students’ Union (i.e., the Yangon Institute of Economics Students’ Union and the Yangon University of Foreign Languages Students’ Union). As the first three groups were founded by former student leaders and the latter three groups make up all of the existing student groups in Myanmar, my interviews were able to cover a variety of views and opinions across all generations of student activists.

I chose these interviewees to cover student leaders of each generation from 1962 to the present, as well as a variety of perspectives from civil society leaders, political party members, current students, and recent graduates from sixteen universities in Myanmar. Most of my interviews were conducted in Yangon, where the offices of most CSOs and student groups are located and where most former and current student leaders reside; this leads me to believe that my sample is representative of the broader student activist population in Myanmar. If interviews with former government officials and military intelligence officers had been possible to conduct, the thesis would have been able to include perspectives from members of the state apparatus, which likely have contested many of my interviewees’ claims; this represents a methodological limitation of my work that merits further exploration in the future. Nevertheless, this paper is very likely the first academic study to include significant number of interviews with Burmese student activists, in particular those from the current generation.

In general, my interviews were divided into three parts: (1) fact-finding and verification; (2) ideology and perspectives; and (3) the development of student activism. On average, each interview lasted for two and a half hours to allow in-depth and open-ended discussions. My interviews started off with background questions that served to understand the interviewees’ past experience which might shape the way they think and act to evaluate the accuracy and identify bias, if any, of their claims. I would then continue with questions about factual information that elicited description of personal experiences (e.g. evidence of military surveillance, political pressure and underground activities), strategies, actions and outcomes to learn about the level of state repression in different phases and subsequent response of students; and figures to get a general sense of how many students were involved, and support base of and relations among student groups at different times. In particular, I was interested in how state repression shaped students’ behavior and their organizational structures, how the student opposition groups survived and sustained their mobilization capacity and contentious political claims in the first phase, and how the change in “state factors” led to the decline of student activism (and the recent divergence) in the second and third phases.

Next, I would proceed to questions about opinions, ideology and values on student activism to learn about different perspectives from students of different generations and backgrounds. My primary questions included why students took part in or refused to join student movements, what motivated or discouraged them to do so, what were their concerns, areas of interest and expected role of students’ unions (e.g. political or education reform), and to what extent a student political or non-political identity existed. These questions helped explain the decisions and actions of the interviewees which were essential to the understanding of the shift of emphasis, from revolution outside the system to minor reformism inside the system, and approach, from confrontation to negotiation, in recent years. Finally, I would engage in open-ended
discussion with the interviewees on the development of Burmese student activism to learn about its role in democratic movements in different points of history, in particular the current development.

**PHASE 1 (1962-88): STUDENTS AS CONTENTIOUS ACTORS UNDER MILITARY REPRESSION**

At midnight on July 7, 1962, the Burmese military bombed the birplace of Burma’s independence and student activist movements—the Rangoon University Students’ Union Building—killing at least seventeen students. 31 This act served to ensure student organizations would disappear and “demonstrate the government’s willingness to deal forcefully with perceived threat.” 32 As General Ne Win famously responded following the crackdown, “[the military had] no alternatives but to fight sword with sword and spear with spear.” 33 On March 28, 1964, the military government issued the **Law to Protect National Unity** to ban all political parties except the ruling Burma Socialist Programme Party. 33 However, the existence of such an opposition vacuum gave potential student activists an important political opportunity to emerge and develop even under military rule. Student activists organized underground and succeeded in sustaining mobilization capacity. Eventually, they led the general strike on August 8, 1988 against the military dictatorship, the largest nation-wide democratic movement ever in Burma’s history.

How and why did students emerge between 1962 and 1988 as Burma’s only dissident vanguard despite extensive military repression? This section aims to answer this question along three levels of analysis: international, state, and civil society. A parallel structure will be used in the discussion of the second and third phases of Burmese student activism to identify the political changes that transformed students’ role over time.

**International level: Activism in isolation**

The 1960s was a watershed period of international student activism. Ideological currents and international awareness of other student movements travelled rapidly across the world through mass media and journals. 34 University campuses all over Asia were affected by the Leftist wave of collective actions against ruling elites that challenged the political and social status quo in many regions around the world. 35

The protests of the New Left in Western Europe and North America—most notably, the May 1968 student movements in France involving violent street occupations and massive general strikes—inspired numerous student movements against dictatorships in Asia. 36 These Western Leftist student movements demonstrated that students could become not merely participants in political dialogue but leaders of social change.

Despite the international diffusion of revolutionary ideas, however, Burmese students were only minimally influenced by international student activist trends. Pyone Cho, former Vice President of Rangoon University Students’ Union, explained that, before 1962, universities enjoyed academic freedom and access to books on topics “such as democracy, political theory and world history.” 37 However, after 1962, the Revolutionary Council deliberately eliminated foreign economic and cultural influences through what Robert Holmes and others call “Burmanization” policies, which largely isolated the country from foreign political developments. 38 Burmese students could only read and discuss Western political books left behind by seniors before the 1962 coup. In this context, Burmese student groups did not reach out and connect to foreign student or political groups, suggesting that international developments from 1962 to 1988 could only have exerted a small, if any, effect on Burmese student movements. 39 Burmese student activism was therefore not affected when the heyday of international student activism ended in the 1970s. 40 As we will see, the trajectory of Burmese student activism did not follow world trends but rather Burma’s domestic political context at the state and civil society levels.

**State level: Expanding political opportunities for student activism**

As shown in Figure 2, the actions of the Burmese state shaped the POS affecting student activism between 1962 and 1988 (see Figure 2). Various dimensions of Burma’s domestic political context altered students’ expectations of success in social movements. In terms of political input structures, Burma’s closed system generated an opposition vacuum for students possessing a growing resentment toward the government, which was reinforced by the state’s socioeconomic mismanagement; in terms of political output structures, the military exerted strong control over students. However, as the state did not separate students from university campuses, it was unable to eliminate the mobilization capacity of students. As we
will see, the concept of opposition vacuum is particularly useful here, as it demonstrates that an effective opposition may take root even under closed political input structures and strong political output structures, which forces us to reassess traditional assumptions underlying the dynamics of contention approach.

Figure 2: Political opportunity structures in Burma: 1962 to 1988

The opposition vacuum and political opportunity structures

Christopher Rootes argues that the absence of an effective opposition is “the most general condition of political systems that [stimulates]...student movements,” an assertion that seems to hold true for Burma, where state action eliminated the potential for non-student-based anti-regime activism.\(^\text{41}\) Since 1962, the military has ruthlessly eliminated civil society in Burma.\(^\text{42}\) The Revolutionary Council outlawed political parties and independent unions, with parties not materializing until 1988. Political dissidents, such as former student activists from the 1950s, were either in jail or unwilling to lead an opposition because of the possibility of military suppression.\(^\text{43}\) Moreover, neither farmers nor workers could organize themselves effectively given their scattered distribution and Burma’s poor transportation and communication technology.\(^\text{44}\) Given that university campuses provided students a unique meeting place to launch an opposition movement, students were the only potential force with the capacity to fill this opposition vacuum. University campuses provided students with locations to organize activist groups and foster peer support for each other in the case that they were arrested. According to Pyone Cho, the former Vice President of RUSU, as well as Phyo Min Thein, a former Secretary-General of ABFSU, students felt the responsibility to lead campaigns against the military government in this context.\(^\text{45}\) As we will see, the availability of university campuses as grounds for political activism gave students a unique potential for activism in Burma.

The Burmese government’s social and economic mismanagement: reducing opportunity costs and heightening political opportunities for students

Economic hardship gave students in Burma a perceived opportunity for political action. In April 1962, the Revolutionary Council issued a treatise titled “The Burmese Way to Socialism,” which served as a blueprint for economic development.\(^\text{46}\) “Burmanization” rejected foreign investors, expelled non-governmental organizations (NGOs), and declined international financial assistance. Section 3 (1) of the Industries Nationalization Law, which went into effect in 1963, provided the legal grounds for the military to nationalize “any industry.” By early 1970s, all major industries except agriculture, small-scale trading and services had been nationalized.\(^\text{47}\) Resources were used to serve generals’ private interests over the public good.\(^\text{48}\) During 1962 to 1988, the resource gap between investment and national savings widened from -1.9 percent to 2.8 percent of the gross domestic product (GDP).\(^\text{49}\) These policies had disastrous effects on Burma’s economy and the livelihood of many Burmese. The military turned Burma from one of the most prosperous lands in Asia—given its wealth of natural resources and prime geographical location—into one of the poorest countries in the world.\(^\text{50}\) In December 1987, Burma obtained United Nations Economic and Social Council’s status of “Least Developed Country.”\(^\text{51}\)

The Burmese government’s ineffective economic and social policies raised students’ incentives for collective action, providing them with the confidence to organize against the military regime. Burma’s economic and social mismanagement created a group of educated unemployed and thus a perceived mismatch between level of tertiary education and employment opportunities. Students could not find jobs that they believed they deserved considering their high educational attainment. The perceived absence of a promising future for students reduced students’ opportunity costs to join social movements and encouraged them
to direct their discontent toward the government, whom they held responsible for their unemployment. 52

While the state’s economic and social policies reduced opportunity costs for student activists throughout this period, perhaps the most noteworthy event took place on September 5, 1987, when Ne Win demonetized 75 percent of the nation’s banknotes without compensation and drove millions into poverty. This particularly infuriated university students who could not afford to pay tuition fees to take their examinations and incited them to action. 53 Thousands of Rangoon Institute of Technology (RIT) students protested on campus, making public what had previously been primarily underground. 54 Ne Win’s policies rendered students hopeless about the future. As Pyone Cho and Phyo Min Thein explained, students had no choice but to cry for democracy; for Pyone Cho, “Revolution was the only hope to reform the system for a better future.” 55 As Ian Holliday points out, “The [1988] revolt was the product of economic discontent spreading across the land at the end of 1987 and finding a political vehicle in student protest.” 56

State control over students: a failure to prevent campus activism

Starting in 1962, the Revolutionary Council tightened university control with new campus regulations. Student groups and gatherings were banned and “hostels [were] closed at 8 p.m.” 57 After bombing the RUSU Building, the military arrested at least fifty student leaders and imposed military surveillance over students. 58 Apart from forcing university lecturers to monitor student activities, military intelligence recruited poor students as informers. For instance, Maung Soe, who later served as Deputy Chief of Police, was actively involved in every student meeting and protest under former student leader Lay Myint’s underground group but “was never arrested.” 59 Despite his poor family background, according to Lay Myint, Maung Soe was frequently seen with “one to two hundred brand new one-Kyat notes,” suggesting that “he had been paid off by the Burmese government.” 60 Additionally, the military pressured family members of student activists, using tactics ranging from verbal warning to surveillance, interrogation, and arrests. 61 Mya Than, father of Min Zin, the former student activist who went into hiding after 1988, experienced periodic arrests from 1989 until his death in 1997. 62

Despite these efforts, however, students were still able to organize underground activities given their access to university campuses. Rangoon University, which was located in the center of the city, provided student activists an excellent place to meet, organize, and mobilize for anti-government activities. Despite frequent arrests, underground groups continued to win new recruits to compensate for the loss. 63 Since new students would enter universities each year, even if the military arrested all of the student leaders, another group of students could easily replace those who had been arrested. Thus, student activism was not uprooted completely despite military repression. All of this suggests that students possessed a unique organizational capacity in Burmese society that allowed them to fill the opposition vacuum despite state oppression. It also indicates that students might possess a unique organizational capacity under repressive regimes more generally.

Civil society: From actor constitution to mobilization

Student activists responded to campus control after the government crackdown of 1962 with underground activities. With no room for formal structures, underground groups were essentially informal and unsystematic. Even so, however, underground activities were crucial to the process of actor constitution. In repressive states like Burma, this process is essential to sustaining mobilization capacity, constructing a revolutionary mindset among student activists, and passing on contentious claims from generation to generation because of the absence of formal, institutional channels for political claims. The creation and maintenance of a political identity among students through oppositional speech and on-campus underground mobilization allowed students to sustain and expand their sense of grievance against the regime and hence the extent of their activism. 64 In the process, students achieved what theorists of contentious politics term “cognitive liberation,” the process by which students define a situation as “unjust and subject to change through group action.” 65 This, in turn, fostered a collective understanding of the political situation among students and thus increased students’ potential for further recruitment and mobilization. 66

Underground activism: informal and unsystematic but united

Underground activities mainly came in the form
of secret political study groups. Student Front Organization, for example, was one of the underground groups set up at Rangoon University in the 1960s with around ten active members, including lecturers who were former activists.6 These groups usually met once a month to discuss politics, education, student affairs, and independence history, and to make plans for spontaneous actions such as throwing anti-government pamphlets into people's houses at night.6 An unsystematic network of informal student groups was loosely maintained by personal connections, notably “trustworthy childhood friends,” who, according to activist leader and writer Lay Myint and 1970s student leader Htain Wynn Aung, were used as a precaution against potential government spies. Messages were sent under very strict discipline due to security reasons.69 Pyone Cho confirmed that, in the 1980s as well, “[Student leaders] rebuilt RUSU based on established trust and friendship among different underground group members.”70

Actor constitution occurred when former student activists with fighting and struggling experience led junior students in discussing the historic role of student activism (and other political activism) in Burma and distributing leaflets with contentious political claims, such as urging the military government to step down.71 As Johnston notes, such activities are “fundamental to the process of actor constitution in repressive states.”72 In Burma, oppositional political speech in secret study groups disseminated revolutionary ideas, helped nourish a student activist identity, and gathered students to sustain mobilization capacity. The success of student groups in facilitating actor constitution helps explain students’ persistence under “the most persistent repression” among Asian countries.73

Additionally, Ne Win's dictatorship served as a common enemy that helped unite the student population toward a single goal: ending the dictatorship. Zaw Nyein Latt, a student leader in 1974, explained that, “We only [thought] of how to pull down the military government.”74 The single-mindedness of student movements at this time allowed student activists from different ideological and ethnic backgrounds to join forces. This point is perhaps best illustrated by the fact that, in August 1988, student leader Min Ko Naing was able to unite leaders of different student groups—including Maung Maung Kyaw from Burma Youth Liberation Front and Min Zay Ya of All Burma Students Democratic Movement Organization—to call for the first national student conference since 1962.75 The purpose of the conference was to resurrect the flag of the Fighting Peacock, which had belonged to the historic All Burma Federation of Student Unions. This conference demonstrated how the absence of pluralistic views reinforced students' solidarity and constructed a shared identity among themselves in organizing collective actions.

Underground student groups made use of Burmese political history in order to construct a student activist identity. The historic role of students in the independence struggle, the heroism of General Aung San, and the later military resistance by the Thirty Comrades were just a few of the political legacies Burmese underground student groups drew upon to inspire young activists and generate devotion to underground activism. Interestingly, student leaders co-opted the legacy of General Aung San from the state as an integrating force for student activists. The military regime made use of the historical legacy of General Aung San—who led Burma's independence through military struggle—to justify the legitimacy of “governance militarization.” General Aung San's birthday and assassination were celebrated as Children’s Day and Martyrs’ Day, respectively. In addition, all bank notes printed with the General's picture from 1962 to 1989.76 Despite that General Aung San had been utilized as a symbol by the military regime, however, student groups drew upon his legacy in order to contest the legitimacy of the state and unite student activists. Most of the student leaders truly believed that their participation and sacrifice, like General Aung San’s, could bring real change to Burma.77 As Robert Taylor explains, “[The] organization of students on university campuses [in 1988] echoed the tales of student heroism in the 1930s taught to succeeding generations.”78

State violence also fostered a strong student political identity and radicalized many more moderate students. In March 1988, for example, many students witnessed the brutal treatment and arbitrary shooting of student protesters. On March 13, Phone Maw, a chemical engineering student at RIT, was shot dead by the riot police in a protest at a local police station against unfair treatment towards RIT students. In a subsequent protest on March 16, students were attacked by the riot police near the Inya Lake in which hundreds died and thousands were arrested, known as the White Bridge Incident.79 Despite university
closure during this time period, many Burmese student activists became more radical between March and May 1988. Students returned home and told others how the military ruthlessly cracked down on students’ peaceful demonstrations; in the process, they constructed the support base for the nationwide demonstration that would take place that August. In the subsequent student mobilization, according to Phyo Min Thein and Pyone Cho, “virtually all students participated, including moderates,” as students were very angry about state violence.  

Despite the limited membership base of each underground group, the existence of underground structures preserved students’ mobilization capacity. In 1974, when students learned about Ne Win’s ignorance toward the death of former United Nations Secretary-General U Thant, underground groups started to communicate, gather, and mobilize students within two weeks to organize memorial activities and protest against the military dictatorship. The general strike on August 8, 1988, was also a product of underground discussion among student leaders from different groups, who formed the general strike committee on June 23, two months before resuming the flag of ABFSU in late August. These examples demonstrate the ability of underground structures to mobilize students at critical moments.

**Analysis:** The irreplaceable role of student activism

State actions acted as crucial political opportunity structures that allowed student activism to take root more fully in Burma between 1962 and 1988. State repression eliminated every potential revolutionary force in civil society except that of students, as students’ access to campuses gave them a unique advantage over other potential contentious actors. Therefore, while political input and output structures were highly restricted in Burma between 1962 and 1988, students still had political opportunities that other groups did not and seized upon them to become Burma’s only anti-regime force during this period. Students’ relatively large political opportunities can best be explained by the fact that state repression created an opposition vacuum in which students felt that they were the only group in society to challenge the regime. However, the state’s socioeconomic mismanagement also raised students’ incentives to act as agents of change. The processes of actor constitution, cognitive liberation, and student mobilization, all of which are essential to cultivating politically contentious students, were realized through underground activities. It is no exaggeration to conclude that students had an irreplaceable role in challenging the military regime between 1962 and 1988.


The 1988 Uprising ended in military repression. The military established the State Law and Order Restoration Council (SLORC) on September 18, 1988, and tightened political control across Myanmar. The exertion of state control over education was the most notable reduction in political opportunities, as it strengthened political output structures. Despite the continued presence of an opposition vacuum as well as socioeconomic mismanagement, the state effectively destroyed the foundation of student activism by weakening its mobilization capacity. Although underground groups were not entirely uprooted, it was difficult to organize students after 1988. A slight change in political output structures—Aung San Suu Kyi’s release in 1995, which was regarded as a signal of democratic change—helps explain why student protests took place in 1996 and 1998, albeit on a small and confined scale. However, no student-led political movements have taken place in Myanmar since 1998.

**International level: sanctions and censorship**

Myanmar’s isolation was reinforced after 1988 by international sanctions enacted in response to Myanmar’s severe human rights violations. Since 1990, the United States has imposed a range of economic sanctions against Myanmar, including trade, assets, investment, and financial assistance restrictions. In addition to economic sanctions, the European Union adopted an arms embargo and suspended defense cooperation with the country. These sanctions severely severed the limited connections that had existed between Myanmar and the rest of the world, such as foreign investment, and halted possible personal interactions between citizens of Myanmar and citizens of other countries, which placed limits on potential interactions between Myanmar’s student groups and international actors.

In addition, during this period, foreign media had a limited influence on student activism due to severe censorship. Under Part (7) of the 1962 Printers and Publishers Registration Law, all newspapers and publications had to be scrutinized by the government. The Law Amending the Printers and Publishers Regi-
istration Law, 1962 was enacted on June 18, 1989, to heighten the punishment for not complying with the law. For instance, the name of Nelson Mandela was removed from newspapers after his public call for releasing Aung San Suu Kyi in 1993. Foreign broadcasts were also restricted. A Myanmar government-sponsored newspaper called the BBC a tool “to install British cronies in positions of power in Myanmar and through them to manipulate Myanmar political and economic life.” Following a BBC interview with Aung San Suu Kyi, in August 1995, the Myanmar government has restricted access to the BBC Burmese Service as well as the Voice of America.

In addition, according to the International Telecommunication Union, internet and mobile penetrations were below 1% in Myanmar in 2006. Affordable SIM cards were not available until very recently. As Chit Min Lay, a student leader in 1996, recalled, “It was difficult for us to reach the outside world when we were in university.” Thu Tha Sen, Managing Director of The Young Generation’s Note, a newspaper based along the Thailand-Myanmar border, and who spent her childhood in southern Myanmar (Mon State) in the 1990s and 2000s, said that she “didn’t even know who Aung San Suu Kyi [was] until I arrived in Yangon.” These examples illustrate the obstacles to communication and the free flow of ideas in Myanmar. Interestingly, among the ten student activists from 1996 and 1998 I interviewed, only three mentioned Aung San Suu Kyi’s influence on their motivations in organizing the protests. Under such circumstances, the international environment could only have had a limited influence on the development of student activism in Myanmar during this phase.

State level: tightened control over university campuses

The state continued to shape the political opportunity structures of student activism after 1988, first by creating an anarchy-like situation, which significantly raised the cost of committing contentious political acts and eroded public support for the student movement, and then by tightening control over university campuses and student activities (see Figure 3). Although non-student political actors emerged, they were basically dysfunctional under government repression, as was the case for the National League for Democracy, whose leaders, Aung San Suu Kyi, Tin Oo, and Win Tin, were arrested in July 1989. The military’s social and economic management did not improve during this period. Political input structures remained closed but political output structures became very strong, with tightened political control, particularly over education. This reduction in political opportunity structures generated a sense of fear among students and detached them from anti-government activities. As a result, it was detrimental to student activism and contributed to the gradual decline of student activism in Myanmar.

Figure 3: Political Opportunity structures in Myanmar: 1988 to 2000s

Hobbes’s dilemma: anarchy in action

After the largest democratic movement in Burma’s history took place on August 8, 1988, the military strategically created a “stateless” situation to prolong its rule and separate student activists from the support of ordinary people. Political output structures remained strong as the military intelligence continued to arrest student activists and suppress opposition groups. Upon appointing Dr. Maung Maung to form a civilian government, the military purposefully compromised the “public good of social order” by withdrawing security forces from streets and releasing 4,800 criminals from jails which succeeded to separate student activists from the support of ordinary people. Federico Ferrara described it as a twentieth-century application of Hobbes’s dilemma. In Leviathan, Thomas Hobbes deduced the “natural condition of mankind,” or the state of nature, as “the time men live without a common Power to keep them all in awe.” In creating an anarchic situation in Burma, the military aimed to simulate a Hobbesian state of nature.

In doing so, the state successfully generated a sense of fear among ordinary people and students, who ceased to participate in and support student activists’ anti-government movements. Consequently,
the state destroyed the support base of Burma's student groups. After more than a month of stateless anarchy, ordinary people realized that the military was the only group in the country with the resources and capacity essential to enforcing law and order. After all, the military's ability to do so is suggested by its name: the State Law and Order Restoration Council. At this time, the majority of Burmese thus stayed away from oppositional politics and submitted themselves to heightened repression in exchange for security. This explains the people's silence—in stark contrast to the August 8 general strike—during the internal “coup” on September 18, 1988, by the military junta. It is at this point that we can begin to trace the decline of student movements in Myanmar. The application of Hobbes's dilemma in this analysis illustrates how state action shaped Myanmar's political opportunity structures and led to the decline of student movements.

Tightening political control over education: separating students from university campuses

The 1988 Uprising alarmed the military about the underground mobilization capacity of students despite their being under political control. As discussed earlier, the physical presence of a cluster of university campuses in Rangoon's city center had served as a focal point for student activists to gather, organize, and mobilize. The State Law and Order Restoration Council thus targeted underground structures and imposed stricter controls to shatter the institutions that supported student activism. These measures included university closures, campus relocations, and the introduction of distance learning, all while military surveillance remained at a high level.

The SLORC repeatedly shut down universities to prevent students from gathering. All universities were closed for three years after 1988. They reopened in June 1991, but closed again on December 10 of that year following a student demonstration celebrating Aung San Suu Kyi's Nobel Peace Prize award. In 1996, the military junta shut down universities again for four years following a student protest. From 1988 to 2000, universities in Myanmar only opened for thirty-six to forty months. University closure effectively constrained the organization—and especially recruitment activities—of underground student groups. Students were only able to organize in 1998 when some universities opened for ten days before examinations, which led to a small-scale protest. This example demonstrates the importance of the university campus in providing a place for underground structures to develop.

The military junta opened the University of Distance Education in Yangon in 1992 to supplement university education during campus closures. It encouraged students to transfer to this program by keeping daytime universities closed. As 1990s student leader Aung Kyaw Phyo attests, “Many students shifted to distance courses because they were not sure when [daytime] universities would reopen again.” Aung Kyaw Tun, former student leader of 1998 echoed, “This also allowed them to earn their living while studying in a period of economic hardship.” According to 2002 figures, despite the fact that daytime universities had reopened in 2000, the daytime university students were limited in number (90,000 students) compared to the distance university students (560,000). With fewer students on campuses, underground groups had difficulty surviving, let alone mobilizing, in the 1990s and early 2000s.

Additionally, the military junta split and relocated existing universities, and established new universities—without student hostels—in remote locations far away from urban centers. While I was unable to interview former military intelligence officers to learn about their actual reasons for doing so, the military’s displacement of students nonetheless prevented the physical concentration of students that had promoted mobilization in the first phase. The number of students at each university dropped significantly because of the split up and relocation after 1996. The government also forced students to spend a long time on transportation—on average, three to four hours—so that they would have less time and energy to meet and organize after class. Yangon Technological University (formerly the Yangon Institute of Technology) was shut down in 1998 and replaced by the newly built Pyay Technological University in Bago Region. The University of Yangon, which ceased to admit undergraduates after 1996, was split into Dagon University, University of East Yangon, University of West Yangon and other institutions.

The prohibition of student hostels served another purpose: to prevent students from building the close personal bonding and mutual trust that is inherently crucial to underground activities. According to Hein Min Tun, a 2007 graduate of Yezin University of Veterinary Science, his university was one of the three exceptions that had "informal residence" for students
due to its remoteness. However, the 500 students of Yezin University were closely “monitored” by a military base nearby and warned by teachers to “never do politics.”

Universities continued to operate under the absolute control of government ministries over their curriculum, syllabus, and teachers. Students were taught to be “absolutely obedient to the authority” and were subjected to heightened levels of surveillance. Military intelligence officers regularly and explicitly visited universities to check student activities. The existing informers’ network became systematic and comprehensive. Teachers were held responsible if they failed to report potential student activities. Former student leader Chit Min Lay recalled that some teachers would remind students not to discuss politics on campus and in teashops, as “many colleagues [were] recording conversations.” Former student leaders Aung Kyaw Phyo, Khin Cho Myint, Nobel Aye, and Zin Mar Aung also alluded to the existence of the informers’ network. Students continued to be hired as spies in the early 2000s. In 2004, a student who was a member of Generation Wave at Taungoo Technical University was arrested and, according to Hein Min Tun, his close friend was found to be the informer. By hiring students as informers, the military built distrust among students, who dared not discuss politics even with close friends. In general, the tightened military surveillance and repression created a sense of fear among ordinary students. Large-scale student mobilization became impossible even when there were underground structures in 1996 and 1998. Only a few hundred students in Yangon participated in both demonstrations.

In short, the SLORC launched numerous policies, ostensibly to prevent students from gathering together, organizing themselves, and mobilizing others. Essentially, SLORC policies reduced the likelihood that underground movements would succeed (i.e., commit contentious acts without being arrested). As a result of this widening of political output structures, student activists were less likely to organize. The military regime seems to have discovered the reason why student groups had been able to thrive under the opposition vacuum during the first phase: the existence of university campuses provided them with an organizational capacity unavailable to other segments of civil society. Students thus had little incentive to get involved or had given up in student movements, as underground mobilizations were unlikely to succeed.

Confined changes in political opportunities in 1996 and 1998

Under the dynamics of contention approach, the dominant incentive for students to participate in anti-government protests is expected success. Despite that this period can be characterized in general by a strengthening of political output structures (which reduced students’ expected successes), events in the late 1990s slightly raised students’ expectations of success. Aung San Suu Kyi’s release in 1995 and her subsequent weekend political speeches outside her residence gave hope to students; in other words, the state’s release of Aung San Suu Kyi widened perceived opportunities for political action by making political input structures slightly more open. The NLD also gave students a message of support, which facilitated the process of actor constitution—the construction of a clear political identity among student activists. Most of the student leaders, including Aung Kyaw Phyo, Nobel Aye and Zin Mar Aung, thus calculated that a “final battle” and sacrifice could bring a real impact and “realized it was the time to reorganize,” as they had very high expectations that the NLD could generate a democratic transition. The NLD’s statement on August 21, 1998, had been spread through leaflets and personal connections, and was interpreted by the student leaders as a signal that the “People’s Parliament” would be called “within a few days.” It directly encouraged students to demonstrate; as Aung Kyaw Phyo recalled, “We expected to stay in prison for just a few months” given the NLD’s “expected success in [a] power transition.”

Civil society: a decline in underground activities

In addition to effective political control over education, the absence of former student leaders—who were either in jail or in exile—from university campuses was detrimental to the sustainability of underground student group structures. Without having seniors to recruit new members, the construction of a student political identity through discussion and mobilization around contentious claims became very difficult. In other words, the existence of a “lost generation” of student leaders undermined the process of actor constitution and cognitive liberation among students. As a result, student groups failed to “redefine perceptions of threats and opportunities” among students, which Johnston explains is crucial to mobi-
A “generation gap” and reduction in mobilization capacity

As demonstrated earlier, an important element in the actor constitution of student activism between 1962 and 1988 had been its overwhelming emphasis on passing the torch and inspiring the next generation by channeling the legacies of previous generations. Fifteen former student leaders from 1962, 1974, 1988, 1996, and 1998 explained that Burmese student movements have been a combination of both former student leaders and new students who learned from experienced seniors in underground political discussion and secret meetings. According to and Khin Cho Myint, Pyone Cho, Zaw Nyein Latt, seniors would help the new members “turn their demands and discontent into politics,” which helped develop a Burmese student activist identity. It usually started with low-risk activities, such as distributing leaflets and music tapes, as a form of training. Former student leaders also had an imperative role in recruitment. “They identified potential candidates, discussed politics with them, checked their backgrounds, and eventually gave the flag to suitable students,” former student activist Zaw Nyein Latt recalled.

After 1988, however, student leaders were either in jail or in exile. This created a shortage in experienced seniors who could guide the new generation. In other words, a “generation gap” emerged. No prominent leaders were released until the early 2000s. The remaining activists fled to Thailand and formed exile groups, such as the ABFSU Foreign Affairs Committee based in Chiang Mai, Thailand, and the All Burma Students’ Democratic Front (ABSDF) based along the border. In the absence of seniors, political recruitment and training in contentious politics abated. As actor constitution and cognitive liberation became limited, the mobilization capacity of student activism could no longer be sustained by underground activities.

The 1996 and 1998 student demonstrations were possible partly because of the release of 427 and 163 political prisoners in 1992 and 1995, respectively. The majority of them were former student activists in the 1988 Uprising who then continued to study in universities and organize with the younger generation (i.e., high school students who were merely followers). However, the organizational structures of underground activities were gradually uprooted after 1998, when most of the student activists from the 1990s (such as Aung Kyaw Phyo, Aung Kyaw Tun, Chit Min Lay, Khin Cho Myint, Nobel Aye, and Zin Mar Aung), were either in jail or in exile. Once this had occurred, no one could stay and lead the remaining students. Clearly, actions at the civil society level could not take place during this period, as events at the state level highly reduced the potential for collective action among university students.

Analysis: State actions and a decline in student activism

From 1988 through the early 2000s, the military junta had a predominant role in transforming the political opportunity structures that were previously favorable to student activism, thereby altering the dynamics of contention between student activists and the state. The state effectively minimized the possibility for students to organize anti-government activities through exerting a very strong control over the educational system, i.e., strengthening a vital political output structure that had earlier allowed student movements to develop. It utilized a variety of methods—from university closure and relocation, to distance education and military intelligence—to extinguish the spark of student activism before it could take shape in the form of a threat to the regime's stability. These measures significantly reduced students’ chances to succeed, and hence, lowered their incentives to put their lives at risk. Even though the elements of student historic heroism did not entirely fade away, underground activities faded tremendously by the early 2000s, as most of the student activists were either in jail or in exile. In sum, the state orchestrated the gradual decline of student activism in Burma after 1988.


In 2005, the military junta released 361 political prisoners, including Min Ko Naing and Ko Ko Gyi, the two most prominent student leaders of the 1988 Uprising. Together with other former student leaders, they founded the 88 Generation Students’ Group (88 Generation) and played a crucial role in the monk-led Saffron Revolution in 2007. In contrast to the movements discussed in Phases 1 and 2, this movement was marked by limited student participation. However, as a response to Cyclone Nargis in 2008, which killed over 138,000 people, many youth relief groups emerged and raised students’ awareness of community service.
In this period, a civilian government comprised of former generals replaced the State Peace and Development Council (SPDC), which was dissolved on March 30, 2011. This officially marked a transition period for Myanmar and is the most significant change in political opportunity structures observed thus far. Most student leaders arrested in 2007 were released by early 2012. The aboveground ABFSU, Federation of Student Unions (FoSU) and University Students’ Union (USU) were then organized. However, the opening of political space and enlargement of civil society eliminated the opposition vacuum, resulting in the students’ losing their monopoly status as the sole opposition group.

International level: Limited global connections

Under the new civilian government, Myanmar is less isolated than before. In recognition of the reform process that began in 2011, international sanctions have been gradually lifted. The United States dropped its ban on foreign investment in Myanmar and the European Union suspended all restrictive measures except its arms embargo. With improved Internet access and increased exchange opportunities, students are more aware of developments abroad such as the recent student strike in Hong Kong known as the “umbrella movement.” In March 2014, The ASEAN Youth Forum was held in Myanmar for the first time.

However, student groups in Myanmar are largely independent of foreign influence and lack political connections. Neither FoSU nor USU have international networks. Only student groups in exile have formal international connections. ABSDF is a member of the International Union of Students, but the organization has been inactive, with its last updates released on November 18, 2002. Another example of student groups’ limited international engagement is the attendance of the ABFSU Foreign Affairs Committee at a regional student conference in New Delhi in 2009 alongside member organizations of the World Federation of Democratic Youth. Within Myanmar, ABFSU has no formal connections with international student organizations due to the organization’s “non-existence” prior to its latest reorganization in early 2012. Since then, ABFSU has occasionally participated in regional functions; for instance, Phyo Phyo Aung and Han Nee Oo, members of ABFSU’s Central Working Committee, participated in a political workshop organized by the International Union of Socialist Youth in the Philippines in January 2014. Even so, neither student activist is a daytime university student anymore.

International influences on student activism are still limited. Although international political movements may serve as a source of inspiration for the student groups in Myanmar, there is no strong evidence of formal and informal ties between Burmese student groups and their foreign counterparts at the moment. The end of Myanmar’s isolation, however, means that students are increasingly exposed to foreign ideas and events, a development that deserves investigation in future studies.

State level: State-driven political and economic developments

The state continued to repress political groups and arrest activists during the Saffron Revolution in 2007 and the aftermath of Cyclone Nargis in 2008. However, a remarkable change in POS started in 2011 when the transition period began (see Figure 4). Although the government still holds absolute control over university administration, the political control on student organizations has been largely reduced, especially after 2013. According to Nyein Chan May, Vice Chairman of Yangon University of Foreign Languages Students’ Union (YUFLSU), the university has been more lenient on student organizations, “at least we are allowed to exist in campus and operate above-ground.” Min Thu Kyaw, Secretary-General of Yangon Institute of Economics Students’ Union, echoed, “Sometimes members of the university [administration] may even join our Discussion Club.”

For instance, on July 6, 2012, the eve of the 50th anniversary of military’s bombing of the RUSU Building, police detained 23 members of ABFSU for one day to prevent them from mobilizing students to join a memorial. A year later, students were allowed to march inside the University of Yangon and in the streets. This decline in government repression of student activism represents a notable weakening of political output structures.

The opposition vacuum ceased to exist with the gradual end of suppression through measures like the legalization of political parties and CSOs. This opening of the political space has allowed civil society to develop and has prevented students from taking leadership over the democratic transition. The state is also opening its economy for foreign investment and trade.

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v The State Law and Order Restoration Council (SLORC) was renamed the State Peace and Development Council (SPDC) in 1997.
At present, political input structures in Myanmar have, for the first time in since 1962, become more open.

Section 354 of the 2008 Constitution states the conditions of citizens’ constitutional freedom of association—“not contrary to the laws, enacted for Union security, prevalence of law and order, community peace and tranquillity or public order and morality”—which, in practice, gives the government legal power to arbitrarily limit such freedom. Nonetheless, it provides a legal basis for political parties to operate above ground. As of April 4, 2014, sixty-three political parties are registered, including the opposition NLD and the ruling Union Solidarity and Development Party (USDP) consists of former generals. The state also intends to relax the registration of CSOs, which will facilitate the growth of civil society.

The gradual opening of political space: the end of the opposition vacuum

The SPDC tactfully controlled the opposition after 2007 to provide a stable and peaceful environment for the referendum on the new Constitution in 2008, the parliamentary election in 2010, and the final state-led reform in 2011 to “[build] a modern, developed and democratic nation by the state leaders elected by the Hluttaw (Parliament).” These political changes were in accordance with the “Roadmap to Discipline-flourishing Democracy” adopted in 2003. The military jailed former student leaders and the 2007 generation following the Saffron Revolution, and civil society activists in 2008. Among those arrested in 2008 were Phyo Phyo Aung and her father Dr. Nay Win, a student activist of 1988. They were arrested for organizing the collection of bodies of Cyclone Nargis victims for burial.

Civil society started to develop in 2008 when many CSOs emerged to perform community service in response to the government’s incapability to provide disaster relief. From 2010 onwards, the rule of law began to supplant brute force as the modus operandi of the state, which started to open up political space within its control. Under Section 6 (b) and (c) of the Political Parties Registration Law enacted on March 8, 2010, registered political parties have to safeguard “law and order and tranquillity” and the Constitution.

The exchange rate is roughly 1,000 Kyat to $1, i.e., 500,000 Kyat is approximately $500.

iii $30.
Economic developments: the higher opportunity cost of political participation

Myanmar’s “open door policy” has raised the opportunity cost of political participation for students. Myanmar’s economic situation has improved. GDP rose from $6.5 billion in 1998 to $53.1 billion in 2012.\textsuperscript{159} Although the mismatch between university education and job opportunities is still severe, students have more choices than before, such as studying abroad and working in international organizations. Three of my interviews suggest that, with better career prospects and economic opportunities, current students have fewer incentives to risk their lives in political movements.\textsuperscript{160} The state has created better socioeconomic conditions, which have turned students away from politics. As Hpone Myint Thu, a student at the University of Medicine in Yangon from 2009 to 2010, remarked, “Economic issues are considered [by students] as more important than political issues.”\textsuperscript{161}

Education remains under state control

Although the government has relaxed its control of the education system, it continues to undermine students’ prospect of success (i.e., incentives) to engage in contentious political acts, and constrain their organizational capacity.\textsuperscript{162}

At present, university campuses are in general freely accessible. Since 2011, some universities have even invited prominent civil society leaders to give guest lectures on social issues that indirectly touched political issues.\textsuperscript{163} The University of Yangon reopened on December 5, 2013, with the first 1,000 undergraduate students since 1996, undertaking nineteen arts and science degree programs including a political science program in collaboration with Johns Hopkins University.\textsuperscript{164}

However, some universities under government control state in their admissions forms that students must “promise not to participate in union or political affairs.”\textsuperscript{165} This sends a clear signal to the students: there is a cost to engage in political activities, which discourages them to do so.\textsuperscript{166} The government has further proposed the establishment of the Central University Council to control higher education, which would consist of ministry officials and rectors (75 percent), academia (9 percent), private schools (7 percent), CSOs (4 percent), administrative staff (3 percent), one lecturer and one student.\textsuperscript{167} Although the issue is still in debate among policy makers and stakeholders, the government’s proposal has shown that the state is still in control over universities despite having somewhat relaxed political control. To date, university administrations are still under the hierarchical, top-down control of government ministries. Institutional, financial, academic, and curricular autonomy are absent.\textsuperscript{168} Furthermore, the government is particularly concerned about the presence of the 2007 student leaders on university campuses. At least seventeen former political prisoners from ABFSU were either expelled or daytime education. For instance, Phyo Phyo Aung, a civil engineering student at the Technological University (Hmawbi) in 2007, was expelled, and Han Nee Oo, a law student at Dagon University in 2007, was forced to switch to distance learning after being released in 2012.\textsuperscript{169} Si Thu Maung is the only exception, as the Ministry of Education allowed him to resume his studies at the Yangon Institute of Economics in December 2013. The remote locations of campuses and the large number of students undertaking distance education continue to make it difficult for students to gather for political activities. Dormitories are only provided in a limited scale, while students studying away from their homes account for over 70 percent of the country’s total student population.\textsuperscript{170} Universities are generally closed within one to two hours after class.\textsuperscript{16} These government policies serve to limit students’ capacity to organize collective actions by undermining the prospect of success, likelihood of the process of actor constitution and formulation of a student political identity.

State-influenced decline in students’ political activism

The state has successfully instilled a sense of fear among students to deter them from engaging in political activities. Students’ parents have often been witnesses to the military’s bloody repression in the past and, consequently, many students do not dare to participate in political movements. Such activities could result in the whole family being sent to prison.\textsuperscript{171} In fact, many of the 2007 student leaders and current student group members were born into “political families.” For instance, the fathers of Phyo Phyo Aung and Han Nee Oo of ABFSU, as well those of D Nyein Lin of FoSU and Nyein Chan May of YUFLSU, were former student leaders and activists in 1974 and 1988.\textsuperscript{172}

Moreover, for half a century, Myanmar’s military junta sustained itself through “propaganda, surveillance and fear,” the effects of which outlived the
junta itself. Even in 2007, people still believed that military intelligence officers were everywhere, transmitting public conversations to generals’ ears, and such fear discouraged political action. Moreover, with the decline of underground student discussion groups, which used to counterbalance government propaganda, the military junta depoliticized students through education and propaganda that promoted ideas such as “politics is dangerous” and “politics is adults’ business.” Additionally, the imprisonment of hundreds of students in the past has made students reluctant to engage in political action. Consequently, “pretending to be obedient [to authority] is a norm among students.” After decades of military repression, students are still skeptical of the growing political freedom. Only six students chose political science—a subject in which there were fifty available seats—at the University of Yangon in this year’s reopening to undergraduates, as the subject is still considered to be controversial and to have dim career prospects. According to many student leaders, the most challenging obstacle to student group recruitment and mobilization is the sense of fear among students regarding political participation.

The absence of pressing political storms to act as triggers also restrains students’ incentive to engage in political action. Students have less of an incentive to organize along political lines without having experienced direct suffering under Ne Win’s dictatorship. As Myanmar is changing and seemingly becoming more democratic, students do not see the urgent need to agitate against the government. The country has ceased, at least in official terms, to be ruled by the junta. It is thought to be unrealistic to start a revolution. Students thus have few incentives to participate in political movements.

Civil society: Divergence among student activists

When the reform process began in 2011, divergence emerged between student groups, which proved damaging to the ability of student groups to mobilize in concert with one another. There is also a shift of focus from political issues to community service.

The re-emergence of on-campus student groups

On August 28, 2007, four students studying English at the United States Embassy’s American Center—Kyaw Ko Ko, Si Thu Maung, Han Nee Oo and Lin Htet Naing—began a new incarnation of ABFSU under the guidance of former student leaders released in 2005. As it was very difficult to in the absence of underground structures to recruit students on campuses, which were still under political control, the four students drew twenty members from the American Center. However, it was very difficult for ABFSU to cultivate a student political identity because it lacked links with current students. Thus, actor constitution, cognitive liberation and student mobilization were limited. Less than 10 percent of the protestors in 2007 were students. This further proves the indispensable role of underground activities in sustaining students’ mobilization capacity and the military’s success in destroying the foundations of student activism after 1988.

Most of the student leaders of ABFSU in 2007 were jailed afterwards and released by January 2012. Making use of the change in political input structures, the more open political space, ABFSU regrouped again and founded the 12-person Central Working Committee (CWC) on January 18, 2012. With no existing campus networks, they were unable to recruit daytime university students. Even today, none of the CWC members are daytime university students. In time, members within the group began to disagree about the group’s approach, emphasis, and organization. In March 2012, D Nyein Lin, the former Vice Chairman of ABFSU, quit ABFSU; he subsequently formed FoSU on June 1, 2012. USU is another student group but acts as a network rather than a centralized organization, and does not have a known founding date. In USU, students’ unions of various universities “group together by consensus.” The establishment of the Yangon Institute of Economics Students’ Union (YIESU) on July 6, 2012, was extraordinarily significant. Not only was it the first students’ union within the USU network. It was the first on-campus student group to operate since the 1990s. In addition, members of USU are necessarily current students.

Divergence among student groups: student pragmatism and a shift of focus

The opening of political space has eliminated the opposition vacuum and promoted the proliferation of multiple sources of student agitation. In addition, the end of military rule has reduced both state repression and the incentives for many students to press for political change beyond education reforms. This could explain the greater influence of student groups such as USU that focus on university-based issues relative to student groups such as ABFSU that advocate broader
political change.

The split of FoSU and USU from ABFSU illustrates the divisions within the student population itself. Despite sharing a desire for peace and democratic development, the three student groups diverged in emphasis (university affairs vs. political activities), approach (negotiation vs. confrontation) and organizational structure (bottom-up and independent vs. top-down and centralized). While political opportunity structures will be used to understand the divergence in approach and emphasis, actor constitution will be used to study that of organization.

Emphasis and approach

To start with, ABFSU focuses on political activities and activism. It maintains a certain distance from the government given its substantial distrust of the government as a result of the military’s poor record (e.g., its refusal to transfer power following the 1990 election). Members refrain from “negotiation and compromise” to remain consistent with the student activist tradition of anti-government tactics. It has not conducted any formal negotiation with the government so far.

Meanwhile, USU separates student rights and university affairs from political activities, while emphasizing the former. This position can be seen in a comment made by Nyein Chan May, a leading member of USU and Vice Chairman of YUFLSU: “politicization alienates many ordinary students who still consider politics as a dangerous adults’ business.” Min Thu Kyaw, another leading member of USU and Secretary-General of YIESU, also stressed the necessity of “compromise and negotiation.”

FoSU positions itself in between the other two student groups, considering student rights as a precondition to political engagement, which is currently, according to D Nyein Linn, President of FoSU, “beyond students’ capacity.” However, FoSU still adopts a dual approach involving both participation in both government meetings and street protests to “engage those who are ready [in politics].”

Various examples illustrate the divisions among the groups. On August 8, 2013, 88 Generation invited government officials to the twenty-fifth anniversary memorial of the 1988 Uprising as a form of outreach. While FoSU and USU joined the memorial, ABFSU refused to attend due to its reluctance to stand on the same stage with former generals. According to Phone Pye Khwel, the Foreign Affairs Officer of ABFSU, “ABFSU would not participate before the government apologizes and recognizes the movement.” Similarly, when 88 Generation demonstrated against Section 18 of the Law on Peaceful Assembly and Peaceful Procession on January 5, 2014, ABFSU did not participate because 88 Generation followed the law by seeking police permission to protest. Phone Pye Khwel explained that ABFSU “[has] to be consistent... and should challenge the unjust law by civil disobedience.” However, a third example shows the different relationship between the USU and political engagement. Only student groups affiliated with USU were invited by the Ministry of Education to “send student representatives” to government meetings on higher education reforms in December 2013 and January 2014. Although students’ unions have not been officially recognized by the government since 1962, this demonstrates the government’s commitment to encouraging students to work within the system by opening up political input structures.

Such divergence reflects the increasingly pluralistic nature of Burmese society, now featuring a broader political spectrum and more diversified interests. The elimination of an opposition vacuum means that students not only lose the advantage as the only opposition group in civil society, but also holds diversified views among themselves. Without a single student group uniting the student population outside the system, political mobilization capacity and hence threat to the government diminished.

Organizational structure

As the opposition vacuum faded away, a vibrant civil society gradually emerged in Myanmar. The state became less repressive in terms of political output structures, which meant that students were less likely to take on political and anti-government issues but pluralistic claims. No longer having a single unifying goal, students were less incentivized to unite within one leadership structure, since they were able to form and join groups that represented their more specific viewpoints. The process of actor constitution had turned from a political-activist identity to an education-and-social-service identity.

The three student groups are now at a primitive stage of internal organization, as reflected in their small membership base. This undermines the process of actor constitution, cognitive liberation, and hence, student mobilization. Although the USU is better organized as a site of mobilization than either the
ABFSU, it focuses on education over political issues, which limits the type of identity it cultivates among student actors. ABFSU aims to develop a single student organization and group all students’ unions at district level under its flag for united collective actions. As of January 2014, ABFSU covers 26 out of 38 districts in the seven regions, including Nay Pyi Daw (the capital), Southern Yangon (Yangon region), Maubin (Ayeyarwady region), Magway (Magway region) and Monywa (Sagaing region).\textsuperscript{192} Despite its wide geographical coverage, ABFSU’s ability to mobilize and influence current students is limited. As mentioned, none of ABFSU’s CWC members are current daytime students. Without direct linkages with students at universities, it is difficult for ABFSU to “truly understand students’ needs and concerns” and earn their trust.\textsuperscript{193} This is a major obstacle for ABFSU to recruit members and hence construct a student-activist identity among them.

Although a considerable number of District Committee members are current students, they have a limited influence on other students, since “some [students] are even reluctant to sit with and talk to [ABFSU members]” due to fears of political involvement.\textsuperscript{194} Perhaps most importantly, each District Committee only consists of ten to thirty members.\textsuperscript{195} Even while activists within ABFSU had declared themselves “student leaders,” ordinary students were dissatisfied with ABFSU’s poor representation of the actual student population, which greatly impedes the organization’s ability to cultivate a student political identity. These are all detrimental for ABFSU’s ability to sustain the process of actor constitution, as the students they are purporting to represent are in fact dispersed among multiple groups.

On the other hand, according to D Nyein Lin, FoSU envisions a “federal system” of students’ unions under a “students’ parliament.”\textsuperscript{196} It adopts a three-step approach to “sow the seeds of democracy in student life:” enlightenment, capacity-building, and action.\textsuperscript{197} But it has no outstanding progress so far. For almost two years, students have yet to be inspired to set up unions under FoSU. This suggests that FoSU’s bottom-up approach is too idealistic in Myanmar’s politically apathetic student community. As a result, its ability to cultivate a student-activist identity through contentious practices is very limited.

The organizational principle of USU allows students’ unions within its network to have different policies while seeking cooperation in activities and statements. It maintains diversification and denies the necessity to organize under one flag.\textsuperscript{198} Since it comprises current students who have a physical presence on university campuses, these unions have relatively more members and therefore USU has a greater potential for student mobilization and actor constitution than the other two groups. As of January 2014, eight unions in Yangon have joined the USU network.\textsuperscript{199} Among them, YIESU has 200 members out of 5,500 students, DUSU has 200 members out of 30,000 students, and YUFLSU, which was newly established on 1 June 2013, has 50 active volunteers out of 2,000 students.\textsuperscript{200} Additionally, two unions under USU, the Myanmar Maritime University Students’ Union (MMUSU) and YIESU, held the first two elections of students’ unions within a university campus since 1962 in January and February 2014. These elections were promoted online and on campus through “voter education” and election campaigns.\textsuperscript{201} These efforts gave the unions a sense of legitimacy that ABFSU lacked and helped garner student support. However, that being said, USU is still at an early stage of organization with limited members (relative to the total student population) and mobilization capacity. For instance, YUFLSU had to call off a campaign against China’s dam construction project in Northern Myanmar scheduled for March 2014 because it still needed to draft a constitution and recruit members.\textsuperscript{202}

The relatively higher influence and membership of USU over the other student groups represents a clear shift in focus from anti-government political campaigns to education reform, university affairs, and community service. In fact, USU is constructing a student identity based on non-political issues, which represents an alternative actor constitution, with the potential to mobilize students to engage in “education activism.”

From an organizational perspective, student groups under USU tend to avoid being too political in order to keep their organizations alive and attract more students to participate. They focus on issues that directly affect students’ lives. Campus petitions about university affairs have been common in recent years, especially those rejecting increases in motorbike parking fees and school bus fares.\textsuperscript{203} Even some ABFSU members attempted to follow when they began to operate the Wings Capacity Building School in November 2013. Currently, it offers a range of non-
political activities, from free Wi-Fi to English and Japanese classes, in order to attract students to gather at the school for possible collective actions in the future.204

With the rise of USU, social and volunteering activities have largely replaced anti-government political campaigns. For instance, YIESU organized a fundraising campaign for poor families on Full Moon Day in September 2013 and a campaign for the Global Day of Humanity in March 2014.205 Furthermore, the existing political activities, such as holding memorials, aim at raising awareness, rather than launching substantial actions. For example, YIESU cooperated with DUSU to initiate the first memorial events on the military’s bombing of RUSU Building on July 7 and Martyrs’ Day on July 19, 2013, in Yangon.206 On January 4, 2014—Independence Day—YUFLSU, together with activists from the Yangon School of Political Science, distributed the Independence Statement in Maha Bandoola Park, where the Independence Monument is located.207 Similarly, DUSU also held a memorial drama on General Aung San’s birthday on February 13, 2014. Another one of USU’s semi-political activities is YIESU’s Discussion Club. In late December 2013, YIESU established the first aboveground, on-campus Discussion Club in Myanmar in fifty years with the passive consent of university authorities. With discussion topics such as “Is what adults say always correct?” student leaders aim at stimulating students’ critical thinking with limited political elements on a weekly basis.208 The Discussion Club regularly attracts hundreds of students. In recent years, students have become more pragmatic. Despite the decline of opposition vacuum and subsequent growth of political space (indeed, perhaps because of it), most students are politically inactive and have been more inclined to concentrate on career goals and future prospects.209 Students tend to have a substantial interest in student rights, university affairs, and education issues that directly impact their lives. The majority of student groups argue that students’ unions should work solely on student affairs rather than political activities, which should be the business of political parties and CSOs. This distinction is new, and has resulted from the growth of civil society and lack of an opposition vacuum. As many student leaders have proclaimed, “SU [students’ union] is for the students.”210 In addition, students share different views on the notion of “responsibility” compared with the previous generations. Students have an impression that revolution cannot make a difference or rebuild the country, for, as civil society activist Sit Maw points out, “Nothing has been changed after 1988 even with huge sacrifice.”209 Instead, students have developed a more influential role in social issues, as evidenced by the rapid growth of youth NGOs after Cyclone Nargis in 2008. Youth NGOs support a wide range of causes, including capacity-building movements, humanitarian aid, rural empowerment, and think tanks.210 For example, the Myanmar Youth Union, founded in December 2011, collaborated with many CSOs, including 88 Generation, Burma Centre for Ethnic Studies and Triangle Women Support Group, on capacity-building programs.211 Such collaborations embody students’ current interpretation of “young peoples’ responsibility.”

Analysis: From Burma’s political vanguard to one of many groups in an emerging civil society

Phases of political development directly influence the intensity and nature of student activism, including the form of government and availability of non-student political actors. State control (2000s to 2011) and gradual reforms (2011 to today) continue to shape political opportunities that constrain students’ incentives and capacity to act as agents of political change.

The reform process puts an end to the opposition vacuum and gradually produces a controlled political space for non-student opposition to develop. Students are no longer irreplaceable. The general public look for prominent political parties and CSOs, especially those established by former student leaders who served in prisons for decades, as recognition of their sacrifice that earned them legitimacy and public popularity. Today, Min Ko Naing remains a symbol of democracy and student activism despite disappearing from public eyes for twenty years.212 Current students can hardly be comparable to them. Since students no longer represent people’s pluralistic demands, the public has no incentive to submit themselves to the leadership of current students.

Divergence among student groups emerged as a product of the widening political spectrum. The ability of CSOs to openly and freely organize means that they

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x The author personally joined the students in distributing leaflets to local people on January 4, 2014.

xi The author personally attended the Discussion Club as a guest speaker on January 9, 2014. I was asked “not to talk too politically in order to avoid frightening the students.” Myanmar students were generally interested in Hong Kong’s campus (especially hostel) life and how foreigners view Myanmar.
can diversify and represent multiple interests, unlike in the past, when underground groups had only one major aim: overthrowing the government. In the early formulations of political opportunity structures, both Eisinger and Tilly suggested how significant threats could inspire opposition groups to cooperate and mobilize. In her research on student movements in the United States from 1930 to 1990, Nella Van Dyke explained the ability of threats and grievances to foster cooperation and “inspire within-movement coalition work” among student groups. After the end of military rule, it is less likely for students to feel the need to unite as a single entity against repression. Nevertheless, the growth of civil society provided politically aware students with more choices. For instance, some former student activists in 2007 joined NLD’s newly established youth wing, which aims to recruit 60,000 to 100,000 young people under the age of thirty-five to prepare them for future parliamentary elections. Student activism is no longer the only option.

In short, students lost their monopoly over the political opposition in Myanmar. Political parties and CSOs replace students’ role as the political vanguard to press for democratic transition. Students are in a position to struggle for their roles and identities in the transition period. As former student leader Aung Kyaw Tun commented, “The current generation no longer enjoy the monopoly of challenging the government.”

CONCLUSION: A HISTORICAL PRODUCT IN AN OPPOSITION VACUUM

Student activists as unique contentious actors

Using the dynamics of contention framework, this study illustrates how, through state repression, authoritarian regimes can inadvertently and perhaps counternaturally expand political opportunities for activist student groups to emerge. When state repression renders most civil society groups unable to effectively challenge the regime, an opposition vacuum can emerge in which students become society’s only viable (and hence most influential) political opposition. In the case of Burma, while Burmese students failed to overthrow the military dictatorship and generate a democratic transition, the existence of an opposition vacuum reinforced students’ unchallengeable leadership as the only political opposition against the military dictatorship between 1962 and 1988.

The concept of “opposition vacuum” might also help us better understand the aforementioned cases of Indonesia, South Korea, and Thailand. Being the only sustained opposition force in New Order regime, Indonesian students were the first to protest against Soeharto. From 1970s protests regarding elections’ legitimacy (1971 Golput Movement), to the decisive 1998 Reformasi Movement, students took the leading position due to an absence of opposition forces who were either suppressed or absorbed by the regime. Similarly, in South Korea, where even moderate political dissenters were highly suppressed at that time, students led the call for democracy. For instance, Progressive Party leader Jo Bong Am was executed in 1959 for advocating peaceful reunification with North Korea. In Thailand, the 1971 coup and abrogation of the 1968 Constitution dissolved the parliament and disbanded political parties. Again, students became the only potential opposition left with the capacity to mobilize against the military. This framework therefore illustrates a potential direction for future studies on the emergence of student activism in non-democratic societies where an opposition vacuum exists.

Moreover, it intimates that students may possess a unique organizational advantage over other potential political actors in civil society under repressive regimes, likely because they have access to university campuses as organizational bases. These analyses also suggest that, even under circumstances where political input and output structures seem highly constraining, students may nonetheless have crucial political opportunities that are absent for other groups, which highlights the importance of students in oppositional movements and necessitates the further examination of student activism in contemporary and future oppositional movements under authoritarian regimes. The concept of “opposition vacuum” is therefore useful in reassessing traditional assumptions underlying the dynamics of contention approach and theory of political opportunity structure, which argues that “groups will not mobilize unless they believe that they have some access to the political system.”

Student activism in Burma: past, present, and future

In Burma, from 1962 to 1988, underground structures were crucial in cultivating a student-activist identity through discussion groups and political mobilizations. Such social appropriation of contentious claims fostered students to learn about the injustice that resulted from the military dictatorship. This fa-
facilitated the process of actor constitution and cognitive liberation that sustained the legacy of the Fighting Peacock, political awareness, and mobilization capacity, despite the absence of civil society. After brutal repression in August 1988, the military junta purposefully eliminated the underground structures, creating a “lost generation,” which hindered the construction of a student-activist identity through underground political activities. It effectively prevented students from passing on the historical legacy of student activism to later students, and rendered the process of actor constitution and cognitive liberation unlikely. State-led democratic transition from 2011 onwards and the growth of civil society ended the opposition vacuum and students’ monopoly on challenging the government. Divergence among students also arose in the developing, pluralistic society, which allows multiple student groups to emerge that collectively represent a wider political spectrum and boarder viewpoints. A group of students are reconstructing students’ unions under the flag of the Fighting Peacock, yet there are differences in how the various groups want to function: some prefer negotiation, while others challenge the government. With the end of opposition vacuum and the beginning of gradual reforms, students are exposed to less political opportunities and thus less incentivized to urge for progressive political changes. While democracy, political freedom, and human rights were the most important issues in the past, the main task of student groups has recently shifted away from politics toward education reform as a pragmatic response to the change in POS. It also formed their support base as the majority of current students clearly prefer students’ unions to focus on student and university affairs and leave “high politics” to politicians. This, in turn, facilitates an alternative form of actor constitution: the cultivation of “education activism” among students with a clear emphasis on non-political claims such as education reforms.

Objectively, political parties and CSOs have taken over students’ leadership in the past. Despite the aging of opposition leaders, Myanmar still has plenty of former student leaders from 1988, 1996 and 1998 to lead the democratic transition even should all NLD leaders step down. While we cannot rule out the possibility of student movements in the process of democratization, current students are unlikely to take the lead in the absence of favourable POS—i.e., the contraction of the opposition vacuum. Students’ historic role as the political vanguard of the country has faded away. The re-emergence of student groups reflects students’ struggle for a new identity, but at best, students will be just one of many potential participants in Myanmar’s democratization. As student leader Min Thu Kyaw said, “Students’ unions cannot take the leading role in Myanmar’s democratic transition.”

List of Interviewees

- Lay Myint (author of various books about student activism in Burma; former student leader in 1950s, tutor in science at Rangoon University in 1962 and lecturer in English at Rangoon Institute of Technology in 1988)
- Htain Wynn Aung (former student leader in 1974)
- Zaw Nyein Latt (former student leader in 1974)
- Ko Ko Gyi (Secretary-General of 88 Generation Students’ Group; former student leader in 1988)
- Pyone Cho (Secretary of Human Right Sector of 88 Generation Students’ Group; former Vice President of Rangoon University Students’ Union in 1988)
- Phyo Min Thein (Member of the Parliament; former Secretary-General of All Burma Federation of Student Unions in 1989)
- Chit Min Lay (Deputy Person-in-charge of Education of 88 Generation Students’ Group; former student leader in 1996 and student activists in 1988)
- Khin Cho Myint (Public Relations Officer of Assistance Association for Political Prisoners (Burma); former student leader in 1996 and activist in 1988)
- Nobe Aye (former student leader in 1998 and activist in 1996)
- Aung Kyaw Phyo (Director of Myanmar Institute of Democracy; former student leader in 1998 and activists in 1996)
- Aung Kyaw Tun (former student leader in 1998)
- Hlaing Win Swe (former student activist in 1998)
- Kyaw Min Than (former student activist in 1998)
- San Zaw Htway (former student leader in 1998)
- Thar Linn Tin (former student leader in 1996)
- Zin Mar Aung (Founder of Yangon School of Political Science; former student leader in 1998 and activist 1996)
- Han Nee Oo (Financial Secretary of All Burma Federation of Student Unions; one of the four student leaders who reestablished ABFSU in 2007)
- Lin Htet Naing (Vice Chairman of All Burma Federation of Student Unions; one of the four student leaders who reestablished ABFSU in 2007)
- Phone Pye Khwel (Foreign Affairs Officer of All Burma Federation of Student Unions; former student activist in 2008)
- Phyo Phyo Aung (Secretary-General of All Burma Federation of Student Unions; former student leader in 2007)
- D Nyein Linn (President of Federation of Student Unions Organizing Committee; former Vice Chairman of All Burma Federation of Student Unions; former student leader in 2007)
- Ye Min Oo (Secretary-General of Federation of Student Unions Organizing Committee; former Secretary-General of All Burma Federation of Student Unions; former student leader in 2007)
- Min Maung (Vice President of Federation of Student Unions Organizing Committee; graduate student at University of West Yangon)
- Zin Lin Aung (Vice President of Federation of Student Unions Organizing Committee; second year student in economics at Yangon Institute of Economics)
- Min Thu Kyaw (Secretary-General of Yangon Institute of Economics Students’ Union; third year student in economics at Yangon Institute of Economics)
- Zaw Yar Lwin (former Secretary-General of Yangon Institute of Economics Students’ Union, member of All Burma Federation of Student Unions and Federation of Student Unions; third year student in development studies at Yangon Institute of Economics)
- Aung Kyaw Min (Activity Board Director of Yangon University of Foreign Languages Students’ Union; second year student in Japanese at
COLUMBIA UNIVERSITY JOURNAL OF POLITIES & SOCIETY

Yangon University of Foreign Languages

Nyein Chan May (Vice President of Yangon University of Foreign Languages Students’ Union; third year student in German at Yangon University of Foreign Languages)

Hta Nuu (first year student in psychology at Dagon University)

Kyaw Kyaw Lin (first year student in economics at Dagon University)

Eaint Ray Kyaw (third year student in Mathematics at Yangoon University)

Min Min Taw (Member of All Burma Federation of Student Unions; second year student in physics at Technological University)

Ei Pone (Member of All Burma Federation of Student Unions; second year student in accounting at Yangon Institute of Economics)

Moe Myint Za Thi (second year student in mathematics at Yangon Institute of Economics)

Naing Htet Lin (third year student in economics at Yangon Institute of Economics)

Phyo Tin Oo (master student in public policy at Yangon Institute of Economics)

Po Po (Member of All Burma Federation of Student Unions; second year student in history at Yangon Institute of Economics)

Pyae Phyo Nyein (second year student in business administration at Yangon Institute of Economics)

Su Suu Linn (second year student in accountancy at Yangon Institute of Economics)

Yu Yu Mon (Member of Yangon Institute of Economics Students’ Union; second year)

Htet Thi Thwe (graduate student at National Management College in 2010)

Hpone Myanmar Thu (graduate student at University of Medicine 2 in Yangon in 2009 and University of Medicine 1 in Yangon in 2010)

Hein Min Tun (graduate student at University of Veterinary Science in 2007)

Su Mon Thazin Aung (graduate student at University of Yangon in 2004)

Zar Nei Maung (Member of All Burma Federation of Student Unions; graduate student at Computer University in 2004)

Thein Than (Member of All Burma Federation of Student Unions; graduate student at Magway University in 2012)

Wai Yan Phyo (graduate student at Mandalay Technological University in 2012)

Phyo Dana Chit Linn Thike (Member of All Burma Federation of Student Unions; graduate student at Taungoo University in 2012)

Aye Myad Mon (Member of All Burma Federation of Student Unions; graduate student at Technological University in 2013)

Seint Seint Thu (graduate student at University of East Yangon in 2013)

Le Le Khaing (Member of All Burma Federation of Student Unions; graduate student in economics at Yangon Institute of Economics in 2013)

Eaint Thiri Thu (civil society activist; former Vice President of Myanmar Youth Union in 2012; graduate distance student at Dagon University)

Sit Maw (civil society activist; former Secretary-General of American Center Student Council in 2009; former student at West Yangon Technological University in 2009)

Thu Ri Ya (civil society activist; graduate student in law at Dagon University in 2013)

Tha Thi (Managing Director of The Young Generation’s Note)

Htoo Aung Lwin (District Officer of National League for Democracy; former student activist in 2007)

Kyaw Swar Oo (Central Member of National League for Democracy Youth Commission)

Soe Win Oo (Vice Chairman of National League for Democracy Yangon Region Central Executive Committee)

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LIVING AND IMAGINING CITY SPACES: THE CASE OF BEIRUT

MOHAMAD KHALIL HARB, GEORGETOWN UNIVERSITY (2014)

ABSTRACT

In Beirut, space is not a static entity, it is both imagined and lived. This research provides a spatial analysis of Beirut and a class-based reinterpretation of space. In it, I identify two main groups that have two modes of operation in terms of city-spaces, the ‘Urbanistas’ and ‘the Biartis.’ The Urbanistas are an upper class-group that imagines a worldly Beirut part of a global order of capitalist cities, presenting this imaginaire to a media audience. They reshape and command a limited enclave of the city with their focal point being the downtown and animate their lives in these spaces to ensure they are a reflection of the imaginaire. The Biartis are a lower-income group that lives Beirut in a diverse spatial sense. They reproduce and perform a spatial life that is detached from the image, from the branding and from the globalist order. Their lived experience of Beirut becomes a form of counter-hegemonic bloc against the Urbanista imaginaire.

PART I: FRAMING THE RESEARCH

CHAPTER 1: INTRODUCTION TO THE RESEARCH AND THE URBANISTA/BIARTI SPATIAL MODEL

Introduction to the Research

“Schein und Sein” is a baroque German proverb that literally translates to “image and reality” or “the illusionary and the real.” The dichotomy between the image and the real, the imagined and the lived, served as the initial inspiration for my project on the city of Beirut. Between the image and the reality, the notion of space unfolded and was the crux of my research. This project has been a synchronic one, studying and capturing Beirut in a moment in time with all of its contemporary complexities.

Famous American writer Christopher Morley once stated, “all cities are mad: but the madness is gallant. All cities are beautiful, but the beauty is grim.” This is the city, a place of paradoxes, a place of beauty, and a place of contradictions. Whether we romanticize or criticize a city, we tend to forget that it is a space. Space is not a physical entity that simply exists in the city; rather, it is a reflection of the dominant group that inhabits it. More specifically, a city is an amalgam of spaces that are imagined, lived, contradicted, and resisted.

Beirut is a city that exhibits the dichotomy of spaces in a paradoxical relationship between its image and its various spatial realities. Throughout my research, I used Beirut and its spaces as a model, and as a means to an end. I used the case of Beirut to determine how groups conceive, imagine, and live city-spaces. When outside observers look at the media image of Beirut, they see a city that is a part of the global order of world cities. The image is that of a cosmopolitan capital that provides all that is available in international exclusivity and its accompanying lifestyles. This globalist spatiality can be lived in certain enclaves of the city, albeit limited ones. This image coexists with another set of realities and lived experiences in Beirut. These lived experiences are different from the image and project a new, locally oriented reality. With this in mind, I decided to consider two central questions throughout my research: is the image of Beirut the product of an affluent upper class that imagines the city-space in a certain way? Moreover, is there a different lower-income group that lives and generates a different spatial reality in the city?

In my attempt to answer these questions and describe Beirut in a moment in time, I identified a new model for studying city-space. This model is the Urbanista and the Biarti model. In this research, I will present this model and demonstrate the spatial dichotomies it generates in cities.

Throughout my research, I will be using the word Urbanista, as the main label to describe the group that imagines the city and positions it within the global order of metropolitan cities. Urbanista is a play on the word urban, describing a contemporary life with
a Lebanese twist. It is inspired by a famous café and hangout place in the affluent Downtown Beirut called Urbanista, where many of the upper-class Lebanese congregate. The Urbanista group is responsible for presenting the image of Beirut to a global audience and upholding it through globally connected spaces. Additionally, I will be using the word “Biartis” as the main label to identify a locally oriented group that lives the city in a particularly different way. This group accords a lifestyle that is not based on spending capital or enjoying the leisurely spaces of Beirut. It is based on the everyday life experiences of the city that revolve around social visits and street experiences. The Biarti lifestyle varies from the fabricated image of Beirut and it produces a city-space of its own. Colloquially, Biarti is a word that is usually used by long-term residents of Beirut, who can trace their origins to settlers who migrated to the city, many generations ago. Several of the Biartis I interviewed considered themselves more “original” in contrast to the modern Urbanistas.

Introduction to the Urbanista and Biarti Model for Understanding Space

On October 16, 2013, the high profile New York magazine, Conde Nast Traveler, released its annual list of top 25 cities to live in and ranked Beirut as number twenty in a predominantly Western list. According to the magazine, Beirut exists as a cosmopolitan city, a feast of the mind for the worldly and erudite traveler. Simultaneously, local media agencies, such as the Daily Star, drew attention to an anarchic Beirut in a year full of political unrest. Others such as Alakhbar, explicitly categorized Beirut as a “city for the rich” only, critiquing the high inflation and “ridiculous” real-estate market prices. The contrast between the two images of Beirut—the worldly one and the differently-lived one— encapsulates the central concern of this project, a schism in the production and the spatial life of the city relative to the different groups that inhabit it. In this paradigm, the Urbanistas and the Biartis are both responsible for the polarized and opposed reports on Beirut and are the groups that drive the spatial dichotomies of the city.

Beirut and the Social Imaginaire: The Urbanista Connection to the Global Network

In this study of urban space and class-based group formations, I will use the term Urbanistas to label an outward-looking, upper-middle class group formation that lives in Beirut and shares a constructed habitus and view of the city. This habitus is characterized by a connection to a global network of world-cities and is based on an upper-class conceptual map of Beirut consisting of the Downtown, the Zaytouna Bey Waterfront, Ashrafieh, and the Verdun commercial area. A large hub of world-class restaurants, hotels, and boutiques exist in this conceptualized space. Most of the residential facilities in this area are a mix of gated communities and towers labeled as the “urban dream.” Lastly, in this Urbanista habitus, pictorials and advertisements are based on world brands and fashion houses reflecting a strong capitalist, consumption habit. Capitalist consumption for the Urbanista context is an investment in the sense that it sustains the Urbanista spaces of Beirut. This consumption in global areas of Beirut serves two purposes. The first is sustaining the image of worldly Beirut through demonstrating that the city provides all the latest in exclusive fashion, real estate, restaurants and other exclusivities of metropolitan cities. The second is sustaining the wealth of the elite families living within this space, since many of them own the shops that operate in these areas.

The Urbanistas establish their relation with Beirut through their social imaginaire and imagining Beirut. Through this process, the Urbanistas construct a narrative and an image of Beirut that is worldly, bourgeoisie, upper class, and exceptional relative to the region. They present this image to the global network through the media, advertisement, and word of mouth in their trips abroad. While imagination puts Beirut in the realm of the image instead of the lived experience, the Urbanistas shape their spaces in a manner that provides empirical proof of their imagined Beirut. The Urbanistas are not a uniform group; they also have subgroups that diverge from their main interests. An example of such a group is the Rebelling Urbanistas that shares their upper class origin, but fights the Urbanista aesthetics of Beirut and defines the city through culture.

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1 While Bourdieu specifically uses the word Habitus to refer to a system of lifestyles, social constructions, ideologies, values and expectations, I will also be using it to refer to a conceptually demarcated space for the Urbanistas in which this encompassing system thrives.

2 A conceptual map is not just a place of residence. It is also the way the residents of Beirut, spatially conceptualize their city and categorize it based on favorite or most important spaces. I retrieved various conceptual maps from my interviewees during the research process.
Living Beirut: A Biarti City of Manifestations and Contradictions

In contrast to the Urbanistas, who emphasize imagining and branding the city, the Biartis present a different Beirut that is shaped by their lived experiences. The term Biarti describes a lower-income class group formation that resides in Beirut. This group is not as socially connected as the Urbanistas are through networks of wealth and social registrars, but rather they are a large group with multiple realities.

Unlike the Urbanistas, the Biartis do not share a tightly confined habitus. They live Beirut as a whole for two main reasons: the first is that their spatial habits are not solely based on the spending of capital, allowing them to frequent areas that are not money-dependent, and the second is their lack of fear of “other” insecure areas of Beirut, which allows them to frequent such areas. Thus, the Biartis live all of Beirut as a space that is full of paradoxes, reactions, and contradictions. They are uninterested in global representation or in the imagining and branding of the city, mainly due to their lack of interest in global connections. Beirut for the average Biarti is lived in less capitalist ways such as drinking “two-dollar coffee” on the corniche. At certain times, the Biartis enter the areas of the Urbanistas and practice spatial habits that do not conform to the Urbanista value-system of high capitalist spending and representation.

CHAPTER 2: RESEARCH FRAMEWORK
2.1 RESEARCH METHODOLOGY

Applying Theories on Space

An essential part of this honors thesis is the application of theories on space and analyzing them in the context of the city of Beirut. In every section of this work, I will introduce predominant spatial theories, such as those by Marxist geographer, David Harvey, and French theorist Henri Lefebvre, and I will analyze them in the context of the upper class group, the Urbanistas, and the lower class group, the Biartis. As a result of my investigation, I was able to develop a research model based on living and imagining space in the city.

Narrative Research

Narrative Research is a form of collecting stories and lived experiences of relevant persons through the use of open-ended interviews. I collected the life stories of my interviewees who described their spatial identities within the city of Beirut. The interviews were not meant to produce a quantitative dataset describing space in Beirut; instead, they were meant to nuance the research, making it more relevant to individuals and the use of space.

Grounded Theory

In this research, I also use “Grounded Theory,” meaning that the end-results that I arrived at did not exist prior to conducting this research. The data assembled in this research and the analysis I performed allowed me to arrive on a new theory of space in the city. The research allowed me to develop the Urbanista and Biarti model of city space, which did not exist prior to my contributions to the literature. An Urbanista space is one that only thrives if capital is constantly flowing in it. It is a global space that can be replicated in numerous metropolitan cities. A Biarti space on the other hand, is a colloquial one that is closely pegged to the lifestyle of its inhabitants and is outside of the areas of potential investments.

Methods of Interviewing

Interview Process

All the conducted interviews involved open-ended questions that allowed for broad answers. These ranged from questions on individuals’ use of space in Beirut, their daily life in the city, the frequency at which they visit certain spaces, their perception of the image of Beirut, and the avoidance of certain spaces in Beirut. Some interviewees who enjoyed the process wanted to talk further about Beirut, which was beneficial since the model of narrative research is very inclusive and any data are helpful.

Interviewees

The interviewees came from diverse socioeconomic backgrounds and enclaves in the city. This spatial diversity meant that my interviewees provided very diverse perspectives on Beirut.

Some of the interviewees were from areas of Beirut that are known for their homogenous composition, such as Tariq Jedideh, Dahiye, and Gemayzeh. These areas provided a mix of middle-class and lower-income citizens who came from varying sectarian backgrounds. These areas were also more local in a Biarti sense, as they did not have major franchises and global-brand flagships within them.
Other interviewees were from more affluent areas such as Hamra, Ashrafieh, Verdun, and the Downtown. These areas are also diverse in a sectarian sense, but they are spaces of Beirut that have global boutiques, high-rises, and chic restaurants. These are the areas where Beirut becomes capitalist in the Urbansita sense, through consumption and constant investment.

Documenting Advertisements and Pictorials

Another part of my research methodology was the collection of images, advertisements, and pictorials from the various areas of Beirut. This was done in order to see the type of advertisements and products that were being used in these spaces. The advertisements in certain spaces relate to and speak of the social background of the people inhabiting and using these spaces. The photos herein are all mine and under my copyright, and they will be embedded into this research based on the section that they fit in.

Research Experience and Positionality:

Having grown up in Beirut for fifteen years living in both diverse and homogenous areas of the city, I already possess helpful knowledge on the socio-spatial dynamics of the city. My knowledge of Arabic also facilitated the research as certain interviewees could only communicate in the colloquial Lebanese dialect.

2.2 EXISTING LITERATURE AND THEORETICAL FRAMEWORKS

The City as Space

A city in its simplest form is a space. This space is not a constant entity that simply exists; it is the product of the people who inhabit it. A city is composed of different layers of meaning due to the diverse experiences of its different inhabitants in its spaces. Thus, a city does not hold a uniform meaning to all of its inhabitants. On the contrary, these inhabitants use the spaces around them to constantly redefine what their city means to them.

In his book Paris Capital of Modernity, Harvey outlines the theory of Haussmanization, which has become important to theories of urban space. He bases it on the French experience of architect Georges-Eugene Haussmann who remodeled Paris in the late 1800s after being commissioned by Emperor Napoleon III. In the theory of Haussmanization, roads are expanded and boulevards arise to facilitate both the consumerist rich and the marching army. Most importantly, the poor and dangerous classes are pushed to the peripheral richness.

Harvey’s theory, while important, suffers from Eurocentricism, a worldview that is heavily focused on western exceptionalism, and for that reason it is not heavily applicable to Beirut.

Perhaps the most important part of Harvey’s theories is the geographic dimension and spatial element that he adds to class struggle. Harvey argues that, in general, capitalism has a “spatial fix” to it. By this, he means that in order for capital to thrive in cities it has to be pegged to certain spaces that ensure its financial survival and its longevity. These spaces belong to the dominant and the upper classes that are able to channel capital from various parts of the world into their own spaces. This is highly fitting with the Urbanista and Biarti model discussion, since it applies to the Urbanistas who attempt to attract capital into their specific and limited areas within Beirut. It is because of this capitalist, spatial fix that cities such as Beirut witness an uneven form of development, in which certain spaces that are pegged to a global system create the image of a global capital, while other spaces irrelevant of global investment and capital accumulation have a different structure to them.

Another major theorist on space is French social theorist and philosopher, Henri Lefebvre. Harvey himself was highly influenced by Lefebvre’s writing on space and the right to the city. For my research, I will be focusing on Lefebvre’s categorization and study of space, in particular his understanding of “Utopia” and “Heterotopia.” Utopia it is the ideal space in the city, the space that is imagined to be the picturesque representation of the city. It is an ordered and structured space, one that is imagined to be the epitome of city-life and the representative of a perfect city. This space known as “Utopia” is part imaginative, part real, and is highly shaped by the desires of certain groups. The utopian label is beneficial for my study of the spaces of the upper class, or the Urbanistas, for they imagine an ideal Beirut through certain spaces.

The Heterotopic space, on the other hand, is a space of difference, which demarks a social space from which contrast and paradoxes can arise. This difference can arise from the varying lifestyles of the people who use this space, or from the overall format of the space, which is highly contrasted with the utopian ideal. The existence of this space becomes a challenge to the spatially utopian ideal of the city and becomes a form of spatial confrontation. I will be using the concept of heterotopic space to delineate the space of the
lower-income class group, whom I label as the Biartis. Their Heterotopic space becomes an area from which their socially different lived experience becomes a challenge to the spatial utopia. Through their pursuit of everyday life in these spaces, the Biartis create Heterotopias all over the city.

On Imagining

Imagination has always been an influential element in the creation of narratives and discourse. The city is itself imagined as a certain space, and the images of the city are usually the product of a certain group’s imagination. A helpful theorist on this issue is Mohammed Arkoun, an expert on Islamic thought who focuses on the concept of the “social imaginaire.” 12 Arkoun focuses on group imaginings and hegemony, particularly applying it to Islamic laws and canons. His notion of the imaginaire is applicable to Beirut.

Like Gramsci, Bourdieu, and other theorists, who have examined the power of hegemony, Arkoun writes of the dangers of acceding to the ideas of the dominant group. When the dominant group holds power within a society, its imaginings become accepted truths, or dogmas. Arkoun is critical of this process because it blocks out other imaginative, and perhaps equally valid, ways of organizing power.

Additionally, Arkoun focuses on the process of creating ideology and argues that it is a product of the imagination of a certain group. Thus, ideology becomes a deliberate and conscious act of imagination. For this reason, Arkoun is important for the research on Beirut that deals with a group like the Urbanistas, whose process of imagination is highly important in the creation of their city narrative.

In order to battle the dogmatic social imaginaire, Arkoun argues that people need to undertake a process of deconstructing dogmas based on thinking. In this process, “thinking” becomes the opposite of imagining. Thinking is not an imaginative process that leads to the creation of ideology. On the other hand, it is an active process that involves doubting ideologies, deconstructing images, and formulating critiques.

Arkoun applied his theory of the imaginaire to Islamic groups and to the current state of Islamic traditions and canons. He argued that Islamic laws and traditions as we know them now are based on urf, a set of personal beliefs and convictions. 13 He also stated that certain groups such as the Wahhabis in Saudi Arabia and the Muslim Brotherhood in Egypt imagined their personal beliefs to be part of Islam and dogmatized them as the real Islamic truths. The remedy for this Islamic imaginaire, according to Arkoun, is to concentrate on what he calls the “silent Islam,” the Islam in the minds of Muslim believers who are interested in thinking through their religion rather than imagining it.

Although Arkoun’s theory might have an Islamic focus to it, it is applicable to cities. In the case of Beirut, the Urbanistas imagine the city, taking their personal desires to belong in a capitalist world system of metropolises and infusing it into the image of Beirut. In the process, they dogmatize this representation of the city through financial capacities and connection to the media outlets. The Urbanistas then reshape certain spaces of the city, such as the Downtown, to make them empirical markers of the imaginaire and representations of their truth.

On Beirut

Dominant spatial literature on Beirut is divided into two parts: the first is spatial sectarianism, and the second focuses on the reborn downtown. Spatial sectarianism refers to the literal study of space from the lens of a changing sectarian demographic in the city. These studies focus on the movement of sects after the civil war in Beirut, and particularly focus on homogenous sectarian areas of the city. While the studies might underscore other non-sectarian spatial habits incorporated in this research, the dominant idea behind such studies remains focused on sectarian space.

Second, dominant studies on space in Beirut tend to focus on the Downtown. These studies approach Beirut from the reconceived and reconstructed Downtown of the city. In these studies, Beirut is spoken of with generality as a city, but this is contradictory because the Downtown is the only space that is researched and investigated.

My interests are in the use of social space and in particular the socio-spatial dynamics and the class-based use of space. For this reason, the literature on Beirut is helpful in offering a general framework on certain spaces of the city, but it does not fully conform to my research goals.

Spatial Sectarianism

In their book Leisurely Islam, Lara Deeb and Mona Harb present a study of the Dahyeh in the south of Beirut. This region is a Muslim Shiite enclave of the city, which is considered the Hezbollah (the Lebanese
Shiite Party of God) stronghold. They study how leisure is controlled and defined in sectarian, in this case, Shia terms, and how it affects the way residents interact with their city. This book examines what the meaning of leisure is to different groups in Beirut. While Harb and Deeb choose to analyze leisure in sectarian terms, I will look at leisure in sociospatial terms based on the economic and cultural background of the individuals.

Harb and Deeb divide their book into three major themes: the demand for leisure in Shiite south Beirut, the production of leisure, and the negotiation of morality in the current leisurely enclaves of the south.

In the first, Harb and Deeb argue that after the end of the Israeli Occupation of Southern Lebanon in the year 2000, the Shiite-backed Hezbollah was faced with two situations. First, the generation that was brought up with the jihadist mentality against the Israeli enemy was now less preoccupied with the issue and demanded leisure. Second, the exclusion of many of the Shiites from the social and political circles of leisure in Beirut as the Urbanista considered them to be less cultured. This created a new pursuit of leisure among the Shiite youth. However, spatially this needed to happen in areas that would conform to the Israeli resistance vision of Hezbollah and its moral “piety.” Thus, two institutions, the Luna Park recreational center and the Al-Saha, restaurant opened after 2000 in the Shiite south of Beirut, ushering in a new spatial wave of leisurely cafes and facilities.

In the second major theme, Harb and Deeb argue that Hezbollah noticed this demand for leisure and began to regulate and control it. Hezbollah has historically been involved in the creation of culture through creating museums that display the resistance’s vision, educational facilities, sports facilities, and media channels. However, now Hezbollah was directly involved in the creation of cafes. Even when the party of God did not directly own the cafe, they made sure that any other Shiite-owner followed a basic business plan of not providing alcohol or playing music in the restaurants. Spatial practices and spatial exceptions were created in bizarre ways. Malls such as the Beirut Mall, which opened in 2006, began to have an Islamic character while retaining some form of internationality. For instance, alcohol and pork were banned in the mall, but the supermarket would sell them in a different glass container with a separate cashier, to ensure a Halal circulation of money for the Shiite buyers. This is a form of spatial conformity, creating a sectarian space for the Shiite followers.

Lastly, the authors present a section on the renegotiation of morality in the south of Beirut. While alcohol and songs are not tolerated in that part of Beirut, there are still exceptions and transgressions. For instance, they observed that cafes in the heart of the conservative south would play Fairuz, a Lebanese music icon, without the lyrics. Cafes at the periphery of the south would play more international club music, such as Buddha bar remixes because more youth frequent those cafes and they border the Christian area of Saint Therese. This even extended to news outlets. If the owner was in the heart of the South, he or she had to play the Manar channel of Hezbollah, while some on the periphery played channels based on what they saw that their audience favored. Thus, sectarian space in the south is constantly being renegotiated and redefined based on the audience and the degree of piety of the audience.

Overall, Leisurely Islam provides a sectarian spatial dynamic of the south. It does not go into the spatially based class conflict that the south is a part of, and for this reason it is different from the approach of my research. The book also does not delve into the lives of the Shiite who inhabit other areas of Beirut, particularly rich ones who might not exhibit the same forms of southern piety. However, I will keep this spatial dynamic of leisure in Dahyeh in mind, since I observed that in most of my interviews with the Urbanista they refused to go to this part of Beirut.

Moving on to the second dominant literature, which the German Orient-Institut of Beirut produced. The book, History, Space and Social Conflict in Beirut, presents a spatially sectarian study of the Zokak El-Bolat area in its transformations throughout history. In this research, two main themes appear. The first is the sectarian-spatial transformation of the area and the second is the sectarian conflict that arose from such a transformation.

Beginning with the first one, Zokak El-Bolat is a historic area of Beirut with a cultural history of being the center of the Arab renaissance movement. The area was also a center for the French missionary and Jesuit schools, lending it a colonial history. During this time of Arab renaissance and imperial intermingling, the area was mainly of Sunni and Christian Maronite inhabitants. After the civil war, the sectarian demographics of this space changed. The Chris-
tians, during the war, started migrating to more homogenous Christian areas such as Ashrafieh, and the Sunnis followed a similar path, with some traveling to work abroad. This phenomenon, coupled with the Shiite influx from the south, changed the dynamics of the space. Today, it has old buildings and remnants of the past mixed with Hezbollah and the Shiite-backed Amal party headquarters, making it a space for sectarian politics and the Shiite. Thus, the research institute identified a spatial change due to the changing sectarian demographics of the area.

The research identifies what the Christian Maronites and Sunnis saw as the invasion of the Shiite into their areas of Beirut. Many of the Christian and Sunni interviewees expressed nostalgia for their former spaces and the former dynamics of Zokak El Balam before the Civil War and before the coming of the Shiite. While the Sunnis and the Christians saw themselves as the vanguards of culture and the upholders of intellectualism in this space, they saw the Shiite as outsiders. This created a sectarian right to this space, with the Sunnis and the Christians claiming right of control over it and turning the Shiites into outcasts in the process. Ultimately, this book provides a general outline of the changing sectarian fabric of spaces in Beirut and conflict that can arise from such changes. However, it does not explicitly tackle the issue of conflict within sectarianism itself.

While not denying the sectarian nature of many of the spatial divides in Beirut, my work seeks to add another equally important dimension that is overlooked in these studies, and that is the class-based divisions that make Urbanista and Biarti neighborhoods.

Beirut and the issue of the Downtown

In his book Heart of Beirut: Reclaiming the Bourj, Samir Khalaf provides a spatial transformation of Beirut through history. However, Khalaf only describes and outlines this transformation of Beirut through its Downtown, categorizing the important time periods undergone by Beirut’s Downtown area, from Roman times to Ottoman times, and finally arriving at the period of post-war reconstruction. Khalaf sees the Downtown as the historic core of the city of Beirut and for him it is the space that proves that the “Lebanese are accepting of global culture regardless of their sectarian belief.” Khalaf not only generalizes the Downtown to be all of Beirut, but also the Urbanistas as representative of all of the inhabitants of Beirut.

Khalaf then moves on to the process of “reclaiming Beirut” through the Downtown, in which he describes the contemporary urban design of Solidere. He describes the restored Foch-Allenby and Etoile French districts, the picturesque marina and the Saifi Village Quarter with its pastiche colored houses. For Khalaf, these spaces represent the city of Beirut that is always on display. Granted, these Downtown spaces are ones in which both people and some parts of the city are on display; however, they are not representative of all of Beirut.

Overall, Khalaf’s research suffers from the same flawed reasoning experienced by many authors currently writing on Beirut. He generalizes Beirut through only examining one part of the city, the Downtown. This can be seen in other books, such as Recovering Beirut: Urban Design and Post-War Reconstruction and Beirut Reborn: The restoration and development of the central district. In my research, I seek to overcome this weakness by focusing on other spaces of the city and presenting an analysis of them. Even when I analyze the Downtown, I will not take it as a space that is just representative of Beirut; rather, I will analyze it in the context of the Urbanista group that controls it.

PART 2: URBANISTA BEIRUT
CHAPTER 3: THE HEGEMONY OF IMAGINATION

In an average tourist map of Beirut, the focal points and prime destinations of the city are the Downtown, Ashrafieh, Zaytunay Bey, and Rue Du Verdun. Many other interesting areas that can offer alternative experiences of travel are not mentioned. Such tourist maps are not necessarily representative of Beirut as a spatial whole. Rather, they are representative of an Urbanista Beirut. The Urbanistas take their conceptual map of Beirut and place it in a tourist guide made for the foreign “other.” In this tourist map, the Urbanistas provide the areas in which the social imaginaire of Beirut can be lived. Simple items such as these set the premise for my discussion on the relationship between the Urbanistas and representation. The Urbanistas want to reposition Beirut in homogeneity with other global cities of the world. In Beirut, a paradigm of uneven spatial development exists. However, the Urbanistas imagine this development in an even and uniform way as reflective of all of Beirut.
3.1 THE GEOGRAPHY OF THE UPPER CLASS

Marxist geographer David Harvey departs from the usual Marxist approach to history and literature by focusing on geography, space, and time. In this section, two of Harvey’s central theories are relevant to this project. First, Harvey argues that the accumulation of capital has always been a geographic affair in which redevelopment, reorganization and expansion of space ensure the survival of capital. This process generates a “spatial fix” to capitalism, closely pegging to the potential spaces in which it will thrive.  

This theory presupposes the existence of an affluent class that accumulates and redistributes capital, reshaping the space of the city in the process. In the case of Beirut, the Urbanistas shape certain spaces of the city, connecting them to a global order to ensure the continuous influx of capital into their areas. This control of space simultaneously creates a “discriminatory use of capital,” allowing only the Urbanistas to benefit from the financial inflow of these areas and depriving other communities of the city. Thus, the image of a worldly Beirut stems from a narrow image that the Urbanistas spatially fix in the Downtown, Verdun, and Ashrafieh, the areas in which capital is intended to flow and thrive. In the process, these areas define all of Beirut, without having the entire city share the influx of capital and the global image. This globality of capital accumulation depends on the power of the elite class and is based on the “annihilation of space.”

The Urbanistas globalize certain spaces of Beirut to ensure that a connection to a world system of capital and cosmopolitanism is ascribed to these spaces. While they may argue for a general cosmopolitan image of Beirut, in reality they globalize these areas to ensure their financial survival. This process creates an uneven development in a city that has an overarching image of worldliness, while a significant majority of the population is deprived of the wealth that comes from this global connection.

Harvey also argues that space should not be taken as an autonomous or independent aspect of the city. Rather, he argues for looking at it as a response to the aims and aesthetics of a certain class. Consequently, certain global spaces of Beirut become an expression of a certain Urbanista class interest with all of its aesthetic dimensions.

3.2 SOLIDERE: A BRIEF HISTORY

Solidere cannot be discussed without mentioning its founder Rafiq Al-Hariri, the former Prime Minister of Lebanon who was assassinated in 2005. Hariri came from humble beginnings in Lebanon to becoming a friend of the Saudi royal family and an international business tycoon. Hariri’s connection with the Downtown of Beirut began in 1982 when he was tasked to clear the rubble and the damage from the constant shelling during the Civil War. Through this cleaning process, Hariri thought of physically reconstructing and actualizing the re-imagined Urbanista Beirut. In 1983, he conducted a feasibility study on the restoration and reconstruction of the commercial center of Beirut, which involved hundreds of bankers, accountants, urban planners, engineers, and legal experts. The reconstruction of the Downtown began when Parliament approved it in 1933, one year after the civil war ended.

The Downtown has changed dramatically through history and is engrained in the collective memory of the inhabitants of Beirut. The Downtown, previously known as the Bourj, has architecture from every mega metropolitan force that has controlled Beirut, including the Romans, Ottomans, and French. To reconstruct the area, Solidere and Hariri essentially privatized a public space of the capital. Through this reconstruction, Solidere became known for its high quality restoration and redevelopment, with the Downtown becoming a beacon of its world-class achievements. The Solidere urban architects attempted to design and anticipate every urban activity in the Downtown. However, they only anticipated upper-class urban activities, restricting the spatial life of the area to an isolated social group.

In the 1991 building plans, the Downtown suffered from extreme globalism and “gigantism.” Hariri wanted to imitate the high-rise and mega-style architecture he witnessed around him in the Persian Gulf, particularly in Saudi Arabia. He wanted skyscrapers, a world trade center on an artificial island in the Saint Andrew Bey, and numerous expressways. Eventually, Hariri abandoned some of these geographically unrealistic plans, but he succeeded in transforming the Downtown into a modern and completely pedestrian-friendly area. Soliere restored old districts such as Rues Allenby, Place de l’Etoile, and Rue Ma’rad in this process. While he did successfully restore the aesthetics of the area, he never restored the socio-spatial life. A prime example of this is the restoration of the Meghan Abraham Synagogue in the Downtown of

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iii The Lebanese Civil War lasted from 1975 to 1990.
Beirut. The synagogue, set to reopen in the near future, is celebrated in the media as an example of tolerance and diversity in Beirut.\textsuperscript{33} In reality, however, Solidere restored this synagogue at the price of destroying the entire Jewish district Wadi Abu Jamil.\textsuperscript{34} Its destruction allowed for rich areas such as the Zaytouna Bey Waterfront to expand instead. This is representative of the Urbanista experience of cities, one that is solely based on visuals and panoramic sceneries instead of on the actual spatial city experience.

This reconstruction and salvaging of Downtown Beirut from wreckage came at a price. Suddenly the area morphed into a strictly upper class and luxurious enclave of Beirut. In this case, contemporary urban design, which is supposed to bring people together in cities, created a segregated space.\textsuperscript{35} The Downtown became the first physical and empirical marker of the Urbanista imaginaire, through creating a space for the upper class to live the global, communal network of capitalism.

Taking a Walk along the Boulevards of the Downtown

Through this imagination, the Downtown became a panoramic enclave of Beirut. Perhaps the most famous quarter of this city center is Nijmeh Square, which hosts the famous Hamidiyeh Clock Tower in its middle. To the left of this driving zone, you get a view of Roman ruins and Saint George Maronite Cathedral standing next to the blue-domed, Ottoman-style Mohammed Al-Amine Mosque.\textsuperscript{4} Walking up north, urban life is mixed with internationalism, as you cross sushi parlors to get to the United Nations Headquarters.\textsuperscript{36}

Walking south from the clock tower, you arrive at grand Parisian-style boulevards filled with shops such as Dior, Chanel, and Marc Jacobs. These shops represent Harvey’s theory on the control of space to reorganize it as a reflection of private will.\textsuperscript{37} Adjacent to this area is the Beirut Souks, a contemporary open-air shopping market that is supposed to resemble traditional Greco-Roman markets. The Souks occasionally have open-air art exhibits that have become synonymous with the notion of the world-class city.\textsuperscript{38} In the Souks, you can enjoy a mix of modern and antiquarian activities through having ice cream at the Haagen-Dazs café while gazing upon Roman ruins.

3.3 WHY THEY REPRESENT BEIRUT? ON THE URBANISTA HEGEMONIC DISCOURSE

The Urbanistas are a media-savvy group. They utilize the media to make their spatial life in the city of Beirut appear as the normative one. Their behavior is similar to what cultural theorist and sociologist, Stuart Hall, describes as the use of language to create meaning.\textsuperscript{39} Hall argues that the language we see in the media is the product of a group that shares a certain culture and ideology and seeks to make this language a normative way of describing things. The Urbanistas accomplish this through codifying a system of language that describes their global Beirut as “worldly,” “cosmopolitan,” “fashionable,” “five star,” “leisurely,” and “fancy.” After the descriptive language and discourse are developed, the Urbanistas utilize media and advertisement to give an image to their language of Beirut. The Urbanistas then utilize social praxis through their spending habits in their spaces of Beirut.

Imagined Beirut in the Articles

“These New York Times authors who write on Beirut are parachuted into expensive places of the capital and experience a very specific version of it. Parachuting is what we call in the media industry in Lebanon, the bringing of an author from abroad to spend two to three days in Beirut, experiencing the most expensive restaurants, the French districts and the best hotels. After that they go back and write articles such as Beirut is Back, or Beirut: the Paris of the Middle East.”\textsuperscript{40}

The Urbanistas also make sure that a plethora of articles on Beirut is available. Through doing so, they constantly bombard the general audience with articles that repeat the same spatial discourse. This helps them hide the inequalities and the multiple realities at play in Beirut, promoting a worldly and wealthy narrative of Beirut as a form of truth. In 1998, Travel and Leisure magazine released its article “[a]ll [e]yes on Beirut,” about the revival of the city and the return of bars, hotels, and fancy restaurants.\textsuperscript{41} This article described Beirut as a Mediterranean city with a “cosmopolitan” ease and with the “promise of new worlds.” With the use of words such as “promise,” “new world,” and “cosmopolitanism,” the Urbanista discourse of the imagined Beirut was realized. The timing of the article was important. It showed the beginning of the Urbanista Imaginaire after the end of the war, halfway through the reconstruction of the Downtown.
The hegemony of this imaginaire is readily observable. Articles emphasizing the greatness of Beirut and its splendor kept increasing. In 2006, Travel and Leisure ranked Beirut as the ninth best city in the world and in 2009. The famous Lonely Planet travel magazine put Beirut in its top ten world cities because of its "contemporary and lively image."42

In 2009, the New York Times placed Beirut as the number one city to visit in the world.43 In this ranking, the New York Times stated that a détente kept the violence in place in Beirut, which was "poised to reclaim its title as the Paris of the Middle East."44 The New York Times was not alone in emphasizing Beirut’s glamour and ignoring other violent realities. In 2010, The Guardian confidently reported, "Beirut is back and it’s beautiful."45 Similarly, the article had the usual Urbanista discourse focusing on the Downtown and the glitzy lifestyle of its inhabitants.

3.4 BEIRUT AND THE VIOLENT SPATIAL OTHER

On the 17th of February, a video titled “Being Happy in Beirut” went viral on social media outlets. A mini-spectacle, the video displayed Urbanista-like Lebanese and foreign expats, mainly youth, partaking in activities such as dancing in nightclubs, jumping around squares, and enjoying life along city boulevards. The various activities of the video had a common bond. They were all shot in Downtown Beirut.46 The video put the Urbanistas and their Beirut on display. In it, everyone was happy and for a couple of minutes life in Beirut seemed wonderful. In the same day, a bomb went off in southern Beirut, killing four people.47 In the same day, two extremely different images of Beirut existed in two completely different areas. This left the outside observer in a sense of wonderment and bafflement, asking how such extremely polarized activities can exist in the confines of a small city like Beirut. In the Urbanista model of Beirut, this polarization becomes slightly more understandable. Southern Beirut is completely outside the conceptual map of the Urbanistas and is of no relevance to them. The South is not a place where an Urbanista would be “happy” or thrive. For them, the South of Beirut is not part of the imagined Beirut and is not part of their narrative.

Violence in the City

Beirut is a city that has had its share of violence with a civil war spanning from 1975 to 1992 and unleashing massive destruction. During the reconstruction of Beirut following the war, peace and stability allowed for investments to flow back in and for projects such as the Downtown to flourish. The reconstruction of the Downtown of Beirut created a spatial fix for this area, separating it from other parts of the city that were neglected. However, after the assassination of Prime Minister Hariri, the prime proponent of Solidere, in 2005, the country and the city in particular entered a state of political shock. Numerous assassinations followed Hariri’s death, with journalist Samir Kassir in 2005 as well as famous political cabinet member Pierre Gemayel in June 2006.48 The perpetrators were never identified and accusations of neighboring Syria being behind the killings divided the country into two-party political camps called March 18 and March 14. The latter is associated with Hariri’s political movement, dominantly Sunni and Maronite Christian elite. The former is mainly Shia, backed by Hezbollah and some Christian parties.

These assassinations had a major impact on the Downtown. The area went from catering to around 2 million Gulf citizens per summer to catering to a handful. The Gulf tourists stopped coming due to deteriorating security and with them, the revenue of the Downtown greatly went down.49 Spatially, this is indicative on how the model of urban development in Beirut is unsustainable, since the major areas of the city are pegged with tourism. The Urbanistas are not enough in numbers to sustain the entire enclave of the city. Ultimately, their control is leading to the economic decline of certain parts of the city.

Recent bombings in Beirut occurred in the Hezbollah enclave of the city, killing dozens in the process and destroying enclaves of the area.50 Like the other attacks, the perpetrators were not confirmed, but the causes were linked to the ongoing war in neighboring Syria. Spatially, this had a different impact on the composition of the city. Since the Dahyeh area of Beirut is outside the Urbanista circulation of money and the prime leisure places, life went on in the usual fashion. On December 27, 2013, when a bombing killed ex-minister Mohamad Shatah, I was doing research in Beirut, and observed many Urbanistas in their areas go out to pubs, cafes, and restaurants en masse. They were unaffected by the violence because it was physically and socially separated from them. This composition of Beirut, in which areas are assembled and divided based on social class, allows for violence and leisure.
to coexist in the city, especially for the upper class. It further divides Beirut, leading it to appear as multiple cities in one, in which people do not cross paths and in which extremely diverging narratives and realities of the city exist. Since the Urbanistas are circumscribed to the areas in which their development and investment flows, they are unexposed to the rest of Beirut and as such unexposed to the violence that occurs in those areas.

3.5 THE URBANISTAS: ALEXANDRA AND MICHEL
Living the Imaginaire: The Case of Alexandra

“Copla is one of the best restaurants in Downtown Beirut.”

Alexandra presents the third and final step of the Urbanista hegemony: social praxis of discourse. She is a twenty-three-year-old woman in Beirut, coming from an upper-class background. She speaks with a refined accent and resides in the upper-middle class and intellectual quarter of Beirut known as Hamra. She was born in Germany, where she lived for five years, until moving back to Lebanon. She is currently pursuing an undergraduate degree in graphic design. In the interview process, I became the global link through which Alexandra displayed Beirut. My relationship with her became a receptive one of the Beirut she displayed. For Alexandra, Beirut is the only inhabitable space in Lebanon. She “belongs to Beirut and it is her city.” Thus, she began the interview with a clear sense of ownership over the city and a strong emotional affinity to it.

Framing Alexandra’s Conceptual Map

Alexandra defined her conceptual map of Beirut as that of Hamra, Verdun, Downtown and Ashrafieh. All of these areas represent the upper-class enclaves of the city in which the “imaginaire” can be lived. The areas and their international restaurants, boutiques, artisan bakeries and hip pubs, allow for the imaginaire of Beirut to materialize and flourish. Alexandra appreciates the rise of new projects such as the Zaytouna Bey Waterfront and labels them as successful projects in the city. This enjoyment is not simply a form of extending her leisurely spaces. It is also about expanding the scope of the areas in which the imaginaire of Beirut can be lived.

An Urbanista Lifestyle

In Beirut, Alexandra has an obvious social mobility espousing a lifestyle that is a mix of going to university, frequenting the gym, dining out, occasional drinking at the pub, and hanging out with friends. Alexandra enjoys frequenting the Beirut Souks and Downtown because they are “modern” areas in which restaurants and the nightlife are appealing. Alexandra enjoys clubbing in areas of Downtown Beirut. She explained, “[t]he people in this part of Beirut are more presentable and the areas are more secure.” Through her lifestyle, Alexandra revealed three important markers of the Urbanistas: 1) Being on display, Alexandra observes the people frequenting these areas from their clothes, food, social behavior, and accent. In return, she is also on display in these areas, knowing other Urbanistas will be watching. 2) Feeling “secure” from the “other,” through having gated communities and security guards watching over the Urbanista premises. 3) Space as a marker of identity, focusing on the whole notion of the “modern” and hip designs of the places the Urbanistas frequent, which are a reflection of their own spatial “self.”

For Alexandra, this leisurely social mobility does not stop during times of conflict. “In Beirut, if a bomb goes off, people still have a good time. The Lebanese are used to it.” For Alexandra, the continuation of life during conflict is pegged with the notion of “enjoyment,” not with the idea of resilience or survival during conflict. Lebanese sociologist Samir Khalaf, identifies this concept of fun during conflict and explains that in a constantly turbulent political climate like that in Beirut, the youth find that they cannot wait until it “calms down” for them to have fun. Social mobility for the Urbanistas during conflict continues, especially in terms of leisure and “having a good time.”

Avoiding the “other” Beirut

Alexandra lives and enjoys certain parts of Beirut, but she also avoids and rejects other parts of the city. In particular, she would not go to Dahiyeh (a Shiite enclave in the suburbs of Beirut that was previously associated with poverty), Tariq Jdideh (a Sunni enclave of Beirut that is usually associated with lower-income residents), or similar areas such as Sabra and Ouzai (extreme lower-income areas, or “ghettos,” that have migrant and Palestinian refugee camps). “The people in these areas aren’t modern,” said Alexandra, explaining that the areas are full of extremism, sec-
tarianism and various other dangers. Leisure cannot thrive and cannot spatially exist in these areas. In particular, she said these regions are limited to having one conservative sectarian group that prevents the rise of nightclubs and the quintessential Urbanista facilities. However, facilities such as these would not thrive there regardless of the sectarian identity, due to the lack of flowing capital that can sustain them.

Beirut Comes to Life through Alexandra

In this Beirut of grandeur, Alexandra affirms that the nightclub scene is one of the best in the world and that the tourists can “attest to that.” This indicates a strong connection between the tourists, who are representatives of the global link, and the Urbanistas, who frequent the same scene. It is important for Alexandra to have a confirmation from the tourists of the worldly scene of nightclubs in Beirut for her “imaginaire” to be strengthened and for Beirut to thrive as a global city. She gave a description of some of the best nightclubs in the city: White Bar, Sky Bar, Pier 7, and others. All of these nightclubs are exclusive, sometimes requiring three months reservation ahead of time. Spending can range from a minimum of 1,000 dollars and above. One reason for Alexandra’s emphasis on nightclubs is her age. In urban areas around the world, young Urbanistas tend to perceive and experience nightclubs as a rite of passage to a new form of adulthood, in which the allure and enchantment of urban nightlife can be mixed with anonymity and mystification. However, this only plays a minimal role as Alexandra is presenting a liberal self that is in contrast with a conservative self that is labeled as part of the lower class. It is apparent that in Beirut, the Urbanistas associate Western liberalism with dress, lifestyle, and mannerisms, more than with thoughts and ideologies. Thus, through me as the global link, Alexandra wants to present herself as part of aesthetic Western liberalism, based on clubbing and attire.

Alexandra commented on Beirut’s cosmopolitan image and affirmed that it is not exaggerated. Alexandra explained, “If Beirut was not a global city, then the international brands and the hotels would not come.” When commenting about the Conde Nast ranking of Beirut as the 20th best world city, Alexandra revealed a contradiction. While she defined Beirut as a world city, “the ranking only applies to the center of Beirut and areas like Hamra. The previous poor areas she mentioned do not hold to those rankings. This indicates a realization on her part that not all of Beirut is the same. However, her outward representation of Beirut remains uniform and monotonous. This indicates a sense of territoriality within globalization. She wants “her” areas to be the Conde Nast ones on the local level, but on the global level, she wants to display Beirut as one city.

Alexandra’s Beirut is tightly inscribed but is sufficient for her; importantly, the Urbanista of Beirut whom she presents is a leisurely one. In the contemporary urban experience, a world of leisure and a search for everyday happiness come out of the realm of everyday life. This leisurely urban experience is highly influenced by the spending and the constant circulation of capital. In this urban lifestyle, money is everywhere, but concurrently in no specific place. The spending of capital is not city-specific or bound to a specific locale; it is part of the worldly and the capitalist experience of cities. Thus, even though the Urbanistas spend and practice their habits in specific spaces of Beirut, they replicate spatial habits that can be seen.

Michel: A tale of Money in Beirut

Michel is a 21-year-old man studying at the Lebanese American University of Beirut. He is also a business owner, owning a cell phone shop and operating a money-lending venture on the side. He is the archetypal laissez-faire man whose lifestyle switches between the spending of money and the making of money.

Michel and Beirut

Michel is passionate about Beirut and explicitly said that he loves it. His conceptual map is like that of Alexandra’s, based on the expensive places of the capital. He said that downtown is the heart of Beirut from the Zaytouna Bey Marina to the Souks. However, he also said that the Dahyeh, the South of Beirut, is the space that puts Beirut on the international blacklist of dangerous cities. He has an awareness of another spatial reality to Beirut. However, he sees it as an abomination and a cause of trouble. For Michel, this space causes a problematic interruption to the worldly description of Beirut.

Beirut and Money

I asked Michel if he thought Beirut was a city that depends on money. He explained, “[t]hat depends
on the class. If you are from the rich, then yes, but if you are from the other class, then not necessarily.” He is aware of the financial dynamic of the Urbanistas in Beirut, but he does not see a problem with it. “Listen, Beirut by real estate is the most expensive city in the Arab world and that makes us global.” For Michel, the global is the inflated, the expensive, and that which a specific class can buy. He said real estate drives Beirut’s success. “You have apartments in bad areas that sell at 400,000 dollars apiece and others in upper class areas that sell at 20 to 30 million dollars each.” For Michel, these incredibly high prices are acceptable to him and they are what make Beirut exceptional.

Michel is completely in support of the Solidere reconstruction of Beirut for these reasons. He does not mind if Solidere’s reconstruction increases and inflates rent, as long as it brings an element of globalism and internationalism to it. Michel is in line with the Solidere vision for the Downtown because he is able to afford the internationalism that it brings. He is able to enjoy its Uruguayan street pubs, fancy restaurants, and Todd’s Boutiques.

3.6 CULTURAL COMMODOIFICATION: THE PRODUCTION OF URBANISTA LIFE

The leisurely worlds of Alexandra and Michel are lived not just in their spaces. They are also represented in pictorials and advertisements in the Urbanista-enclosures of the city. The Urbanistas create a “culture industry,” akin to that described by the German theorist Theodor Adorno. He argues that culture undergoes a process of production similar to that of industrial production.56 The creation and reproduction of popular culture become a way of ensuring mass consumption. It is a way of creating psychological needs among people that can only be met through capitalism. For this section, I will use Adorno’s notion of real life being indistinguishable from movies, the entertainment industry, and media advertisement. This is best observed through the Urbanista lens, which commercializes a lifestyle in the images and media that they strive towards in real life. Their lifestyle becomes a cultural product that is both represented and lived. The Urbanistas do this in two ways. The first is through internal advertisements around the city of Beirut, and the second is through fashion design with renowned Lebanese designer Elie Saab.

The Urbanista Lifestyle in Images

Firstly, the Urbanistas want to make sure their lifestyle is on display to the public. These pictorials are a reflection of them and their ability to afford a more expensive lifestyle. The Urbanistas spread these pictorials in their conceptual map of Beirut. This lifestyle is a mixture of going to expensive concerts, Brazilian plastic surgery clinics, hair-transplant clinics for men, and exclusive hair salons. This lifestyle paints the image of a leisurely social life lived within these spaces.

Additionally, the Urbanistas reorganize these ads constantly to ensure a uninterrupted flow of capital into the consumer industries. Many of the ads tend to promote Oliver Ross watches, Bvlgari diamonds, international sushi lounges, and expensive residence facilities and gated communities. These ads indicate a strong capitalist consumer culture and, most importantly, the ability to afford expensive goods. The ad represents the desired Urbanista object, giving it a form that can be bought.57 The constant reshuffling of the ads reminds the Urbanistas of the variety of luxury goods and restaurants to which they have access.

Lastly, the ads and pictorials ensure that the worldly image of Beirut is preserved within the spaces. The ads display international fashion houses such as Coach New York, exclusive jewelry stores, and Givenchy. These ads paint the “culture” of the Urbanista and brand it as that of the city of Beirut. They are on billboards, road-walks, and other places. The gaze of the outside observer associates these ads with the general “culture” of the city of Beirut.

Designing the Global Urbanista Dress: The Case of Elie Saab

Elie Saab has become one of many Lebanese fashion favorites around the world. His international boutique is in the heart of Urbanista Beirut: Downtown. He has a gigantic, glass-transparent fashion house, in which you can sometimes see him creating his designs. Socialites, affluent Lebanese Urbanistas, and people who want to be seen wearing his signature dresses frequent him. Saab shot to fame in 2002, when he became known as the designer who dressed the famous American actress, Halle Berry, in her iconic Oscar Red Carpet dress.58 Ever since, Saab has become a fashion favorite for Hollywood celebrities, royal families, and popular American Urbanista-type TV shows such as Gossip Girl.59 However, he is still known as the creator of the dress of elegant Urbanista Lebanese
women.

In this process, Saab turned the imaginative into a dressed reality. The Urbanista lifestyle was extended from the realm of the affluent Beiruti global to the realm of the Hollywood elite. Through this, the Urbanistas are able to align themselves with a new and powerful class and to see themselves in line with the Hollywood elite. Secondly, the dresses have become an archetype Urbanista product. The Hollywood elite is now wearing dresses that are the product of the elite of Beirut, an Urbanista. This extends the products of the Urbanista to the global realm and further pushes their Beirut outward.

CHAPTER 4: CRITICIZE AND DECONSTRUCT: THE RISE OF THE REBELLING URBANISTAS

Authentic vs. inauthentic. Genuine vs. fake. When describing culture, design, art and even cities, words such as “authentic” and “genuine” are exhaustively codified. The quest for the authentic is an important, emotional experience that has acquired strong linguistic value. It has become inseparable from our assessment of what is genuine. Thus, the question of the authentic is important when studying the representation of Beirut.

In this section, I will identify a struggle over authenticity within the Urbanista class itself in response to the rise of a group that I will label as the “rebelling Urbanistas.” This group attacks the image of Beirut and accuses of it being inauthentic by claiming that it betrays the actual image of Beirut. The rebelling Urbanistas define Beirut through their cultural, rather than aesthetic, experience of Beirut.

Regardless of whether the general Urbanista or the rebelling Urbanista description of Beirut is employed, the word “authentic” implies that there is a world system of city taxonomies to which we refer when labeling the original and the unoriginal. The whole notion of authenticity should instead be based on the subjective experience of the observer, which is influenced by their social class, background and system. I will focus on two major theorists who have tackled the issue of the authentic: Regina Bendix and Bella Dicks. Both researchers argue against the idea of an objective authenticity and instead present the concept as a negotiated construction.

4.1 FRAMING THE “AUTHENTIC”

Arguments over authenticity are integral to the debate between the Urbanistas and the rebelling Urbanistas over the representation of Beirut. For these groups, the question of “[w]ho has the authority to speak for a group’s identity or authenticity” is critical. The authentic city can be considered a reflection of a group that has achieved authenticity and is a reflection of their spatial self. In particular, notions of spatial authenticity mirror struggles over whose identity prevails.

Groups legitimize their experience of a city by labeling it authentic. The city manifests itself according to their image. This claim has legal and hegemonic implications, as it gives the legitimate control of a particular label.

Recent anthropological and cultural studies have questioned the idea that authenticity must be associated with a physical place. My interviews with the rebelling Urbanistas exhibit what Regina Bendix, an expert on German and European folklore, calls the three main causes of authenticity.

According to Bendix, contemporary societies peg the search for the authentic as an emotional and moral quest. When constructing a city, the emotional experience of laying its authentic design becomes part of a group’s identity. Hegemonic groups like the Urbanistas have the power of representing Beirut. They will be emotionally satisfied if the image of Beirut follows their definition of authentic and if it describes their experiences accurately. A group like the rebelling Urbanistas, on the other hand, attacks the image of Beirut. They see the image of Beirut as a betrayal of their group identity because it does not follow the cultural urban experience that they believe is authentic. Since both assumptions about authenticity stem from the relationship between the representation of the city and the group, they are always subjective.

Bendix argues that these claims must be supported empirically because authenticity needs to be measured and seen. For this reason, authenticity requires a material form of representation. This can be deceptive, for an image can capture authentic truth. When the construct of authenticity is represented in material form, it creates the façade of a normative experience or of a quintessential image of a city. Therefore, because the rebelling Urbanistas lack influence in the media, they do not show an Urbanista confidence when describing Beirut because their cultural experience.

The Rebelling Urbanistas display what Bella Dicks, author of Culture on Display, defines as “cul-
tural particularism.” They construct a cultural claim in the city that becomes important for the identity of the group. Cultural meanings are written into landscapes, roads, and streets of the city, a process in which objects and spaces of everyday life become part of the “authentic” culture of the group. The rebelling Urbanistas identify places such as bookstores, heritage zones, and arts as authentic city spaces that should be represented. Thus, the rebelling Urbanistas exhibit a place-based identity in which the spatial practices and literal spaces contribute to a sense of identity.

4.2 THE AESTHETIC DILEMMA

An aesthetic is a façade that influences the opinions of observers and allows them to decide what is beautiful. The Urbanistas find their constructed aesthetics of Beirut to be beautiful. These aesthetics are criticized by the rebelling Urbanistas, who claim they betray their cultural experience of Beirut.

In his book, *The Politics of Aesthetics*, Rancier outlines a framework for understanding aesthetics. By referring to politics, Rancier does not necessarily mean government or a defined political system. He instead means any system of power that decides what is sensible. For instance, following Rancier’s definition, the Urbanistas form a political system because they distribute their knowledge of Beirut through their aesthetics, which consist of media messages, urban design, and pictorials.

Rancier argues that there is a preexisting system of laws, beliefs, and systems that enable these aesthetics to be made, seen, understood, spoken of, and distributed. The perception of a façade for him (i.e. an aesthetic) depends on the background of the observer and the system in which it is being distributed. The Urbanistas understand and accept the image of Beirut and the spatial aesthetics it presents because their background aligns them with the dimensions of these aesthetics. Their desire to be part of the worldly city makes them see a tower on the marina of the Downtown as a healthy aesthetic and as an authentic one. The different backgrounds of the rebelling Urbanistas lead them to perceive the same aesthetics in a different way. For them, the same tower at the marina becomes untruthful, what Rancier would call, “an object of fallacy.” Even though the image of the tower is distributed within the same system, its reception and aesthetic dimension depend on the background of the recipient.

4.3 THE REBELLING URBANISTAS AS REBELLING ORGANIC INTELLECTUALS

What enables the rebelling Urbanistas to criticize the representative model of Beirut? According to Italian Marxist Antonio Gramsci, whose theories are supported by Marxist critic Raymond Williams’ notion of hegemony as a dynamic process, the rebelling Urbanistas are “organic intellectuals.” In his *Prison Notes*, Gramsci introduces the concept, arguing that this group is composed of vanguard intellectuals who are “organically” condensed within their hegemonic social class. They exist as subclass of intellectuals within a social class and do not create a separate division within their society. The rebelling Urbanistas are a cast of organic intellectuals who live the hegemony of their class differently and do not accept the habits of Beirut’s upper class. Their social and economic capital allows them to reach certain positions in society and develop the dialectics of criticism. Williams argues that hegemony is not static or not monolithic; it cannot be reduced to a totalizing world-view. He affirms that the hegemonic process is always responsive to alternatives and opposed realities that might question its dominance. He asserts that in addition to a dominant hegemony, there are emergent and oppositional hegemonies. According to this model, a class such as the Urbanistas cannot have its hegemony lived at every individual level and alternatives always arise. These alternatives arise with the rebelling Urbanistas, who rebel against their class’s representation of Beirut and challenge it.

4.4 INTERVIEWS WITH THE REBELLING URBANISTAS

Farah: the Conservative Urban Architect

“If your Downtown is shaped according to the gaze of the foreigner, then what else is left for you?”

I could tell that Farah belonged to the rebelling Urbanista group from the opening lines of her interview. Farah is a respected architect in Beirut who comes from an upper-middle class background and works in the city conservationist scene, fighting against the demolition of heritage buildings from the 1700s and the 1800s. For Farah, preserving cultural heritage in Beirut is extremely important and is one of the main reasons she rebels against the Urbanista clan.
Framing Farah’s Conceptual Map

Unlike the Urbanistas, Farah’s conceptual map is not restricted to the affluent and bourgeois areas of the city, not from lack of financial capital, but because she finds all of Beirut and its spaces equally interesting. She lives in Ein el Mrayse, a historical area near the sea, which is a mix of urban and heritage buildings. Her conceptual map consists of Al-Rawda café on the corniche (an old family-run business close to the sea), Ashrafieh, and Gemayze. These are some of the few areas of Beirut that still have buildings with old architecture. In this conceptual map of Beirut, Farah leads a simple, non-consumerist lifestyle.

Deconstructing the Image of Beirut and describing her Beirut

Farah asserted during the course of the interview that the “urban image of Beirut is purely commercial and purely consumer-driven, an image that is devoted to making money in a city where everything that sells, works.” In Beirut, in order for the image to sell, exaggerated imagery dominates the market. In her opinion, “beautiful girls need to be put everywhere” for products to sell. She explains that she has never seen a city that is into self-marketing as much as Beirut. While Farah speaks about Beirut, she is actually attacking the Urbanista representation of Beirut that she sees as inflated, consumerist, and capitalist. Farah laughed and said that her friend told her Lebanon, and in particular Beirut, is like a country club: a place in which you buy and assert privilege and where you are allowed to destroy and create havoc through money.

For Farah, Beirut is a unique city that she connects with on a personal level. She loves Beirut because of the city’s proximity to the sea, the organic structure of the old city, the old alleyways of areas like Gemayze and Zukak Al-Bulat, and the way the old houses interact with the public spaces. This “essence,” she says, makes her want to preserve the city she likes and enjoys.

Farah seems to have a lived experience in Beirut, characterized by being in proximity with the city as a space. She is not, however, completely detached from the notion of representation. Speaking about the advertising of Beirut, she asks why the heritage sites and the old buildings are not advertised in the media. Her authentic criterion of Beirut is tied to the cultural heritage of the city’s past. In particular, she would like Hamra to be more represented in the media. Hamra has always been the historical hub of intellectual and cosmopolitan public life in Beirut, especially because of the presence of universities such as the American University of Beirut and the Lebanese American University in its parameters. Farah has a strong desire to maintain the historical culture of Beirut and represent the stronghold of the intellectual class.

Critiquing Solidere and the Urbanista Imaginings within the City

Farah was extremely dismayed about the reconstruction of Beirut, particularly of the Downtown. Farah said that current Urban Planners are destroying the soul of Beirut, demolishing all of its old heritage buildings and creating crammed spaces. She affirms that the “spirit of the city” cannot be retrieved and that these urban planners, who think highly of themselves, are ruining the city. She described these planners as corrupt individuals who manipulate laws to build towers and strike alliances with politicians.

Farah says the Urbanista-type reconstruction of the Downtown is a “disaster.” While she credits Solidere with creating new infrastructure, fire escapes, and green spaces, she criticizes them for recreating aesthetics and names without considering the spatial habits of the people who inhabited the space. Farah is indicating that Solidere used architecture to create an optical dimension instead of creating a tactical one. Their emphasis was the image-oriented experience of the Downtown and the way it could be seen, instead of focusing on the lived, cultural experience of the Downtown. She said if Solidere had allowed the original inhabitants to return after the war, they would have allowed it to remain a melting pot of classes, history, and community. Farah is criticizing what urban expert, John R. Short, calls “international blandscape sameness.” This refers to the phenomena of designing spaces in cities in a globalized and generic way. It leads to the loss of creativity and to the “sameness” of city architecture and design.

Farah continues to describe how Solidere recreated aesthetics and mentions “void of essence.” She begins with the Martyrs Square, which she says was the heart of the country in which all the buses coming from across Lebanon stopped. She feels that through expanding and rebuilding this space, Solidere, ignored historical considerations and landmarks and
destroyed the concept of an urban square as a public sphere where negotiation and revolutions occur. Three towers and various Urbanista-style hotels now surround the square, mixing it with capitalist and globalized spaces and making it lose its heritage authenticity. VI To her, the square will never be the heart of Beirut again because it lost its authenticity.

She then emphasizes that Solidere has no understanding of the concept of the souk, the native commercial market. She says that they take the name souk and apply it without taking into regards the dynamics of the place. Farah describes, “Solidere created the Beirut Souks, using the old names such as Souk Tawileh and gave it abstract shopping facilities.” For her, this is superficial. She knows the spatial and class history of the Downtown, citing a famous juice and cocktail conveyor called the Eintableh, which had a beautiful fountain in the Souk. She said Solidere destroyed the fountain and gave Eintableh a stand seven blocks down. This incident, in her opinion, is a perfect example of appropriating space while disregarding its history.

The Rise of Urbanista Gated Communities

Farah identifies the phenomenon of gated communities, which is increasing in Beirut and seems abnormal to her. She said that Beirut, which is exposed to the sun 9 months a year, is a city of balconies and open space. She comments, “our architecture was always an open one.” Now there are gated communities like Saifi Village and District S and security guards in numerous places. She adds even balconies are being glazed to prevent interaction with the public space, indicating a sense of escapism from the public realm. These gated communities are self-contained, regulated, and privatized environments that comfort the Urbanistas. VII Farah is identifying the Urbanista phenomena of exclusivity, hiding away in their own spaces, indicating that their lived reality is a mixture of fear of the “other.”

Farah shared a brief story that revealed the extreme exclusivity and separation of these gated communities. She said on the thirty-third day of the Lebanese-Israeli war in 2006, a rocket hit a compound in Dahyeh, a lower-class Shiite enclave of southern Beirut. People ran into buses to leave the area. A bus reached the Saifi Village residential enclave of the Downtown, but was not allowed to disembark. She says this was a case of dire human need, but Solidere did not care. Saifi village is branded as a space for a certain clientele and even in the extreme cases of need people who do not fit that clientele are not welcome.

Naila: A critique of a “Nouveau Riche” Urbanista Bierut

“Beirut is becoming a place of prostitution because of the people and their lower cultural capital.”

Naila is a woman in her fifties who occupies a prominent role in society and who used to hold an important office in the Ministry of Tourism. She is currently retired and resides between Beirut and Broumana, an expensive weekend getaway in the mountains of Lebanon. She graduated from the University of Saint Joseph, a French Jesuit school that was known for its elite education.

I interviewed Naila at her place of residence, in Verdun, which usually resides in the Urbanista conceptual map. It was a beautiful apartment with an immense book collection reminiscent of a woman who is clearly well read. She talked to me about appearing in books such as Nisaa’ Beirut (the prominent women of Beirut) and her personal acquaintances with Lebanese intellectuals and prominent authors.

Nalia did not provide a conceptual map because she feels all of Beirut is slowly fading. However, the case of Naila was helpful because she provides a description of Beirut before and after the war and how her socio-spatial life changed after reconstruction.

Beirut then and now with Naila: The Old Rich and the New Urbanista Rich

Naila explained that Beirut used to be the stronghold of culture in the Arab world, with its Arab Book Exhibit and numerous plays. She indicates a sense of Beiruti exceptionality relative to the cities of the Arab world. Now, she believes Beirut has become an imitation of western culture based on consumerism. She confidently says there is a “new rich” class that “wants sex, drugs, and leisure and debauched culture, which is not the true Beirut.” In the past, if you wanted such hedonistic activities you would visit Maamleitein, a red-light district of brothels. The “new rich” wants this environment expanded to all of Beirut. She said this betrays the “original image” of Beirut and its inhabitants, for it was “never this pornographic and illicit.”

She explains there are very few people who still
consume the “good” ideological and theoretical contributions of the West, like frequenting the famous Antoine Library in Beirut, for example. Naila expresses a form of urban symbolism in city spaces that is based on behavior. Activities and rituals are an important symbol of urban life in the city. These behavioral urban symbols for Neila include going to the library, shopping at a bookstore, and watching a play at the theater.

Naila criticizes the Urbanista model of living Beirut in certain spaces. She categorizes it as a hedonistic life that is consumer-driven and based on sexual desires. Modern Beirut culture has apparently become drastically different from the old elite’s experiences. Urbanistas are mainly formed of youth and a new post-war upper class that diverged from the older class of the city's affluent population. Through acknowledging the distinction between old rich and new rich, Naila reveals an important issue on the use of urban spaces in Beirut: it is not solely about having capital in order to be an Urbanista and enjoy places like the Downtown, but also ascribing to the whole lifestyle. It is about living the “imaginaire” within the spaces and branding yourself as part of Urbanista Beirut, which is an act that the old elites refuse to do.

Naila and the Downtown: Past Love and Present Hate

Naila’s favorite place in the city used to be the Downtown. Now, she has no appreciation for the Downtown district, mentioning that she has not visited in over a year. She remembers going with her parents as a teenager and having ice cream at the famous ice cream parlor, Automatique, which she sadly said Solidere did not bring back.

Naila, like Farah, critiques the rise of gated communities in Downtown initiated by the Saifi Village model of the Downtown. She affirms that there is no need for compounds in Beirut, which she believes belong in the Gulf cities. She explains that in the Gulf, tourists cannot live the lifestyle they desire, so they resort to compounds. Beirut, on the other hand, is known for its liberties. Foreigners can live like the Lebanese citizens. Naila espouses this notion of Beirut being exceptional relative to other Arab cities. She also ascribes a foreign quality to the gated communities, indicating that Urbanistas who would live in them are like foreigners and are not abiding by the true Beirut lifestyle.

4.5 YAZAN HALAWANI: ARTIVISM ON BEIRUT STREETS

Yazan Halawani is a 20-year-old student at the American University of Beirut (AUB) who has become actively engaged in the graffiti and street art scene in Beirut. By virtue of being within the realms of the AUB, Halawani belongs to the Urbanista class. However, he rebels against its main precepts.

Halawani adds a significant dimension pertaining to the discussion on rebelling Urbanistas because he embodies Bendix’s three thresholds of authenticity. He has the emotional trigger that drives him to engage in this movement, transforming Beirut onto his canvas. Second, he uses art as a form of legitimacy in order to communicate the message of his Beirut. Third, he gives imagery and representation to his ideas and to his debates on the authentic. The rebelling Urbanistas we considered in the previous interviews give a descriptive imagery to their Beirut. Halawani contrastingly takes on an activist role, controlling the aesthetics and utilizing them in order to convey and represent “his” Beirut.

The location of Halawani’s art within the Urbanista conceptual map critiques it through the use of imagery. He has paintings in the commercial Verdun area, on the outskirts of the Downtown, and on the walls of the affluent Bliss Street outside of the AUB. This adds a new aesthetic dimension to the Urbanista Beirut. Halawani also released more explicit criticism of the elite in multiple news articles. In one of his interviews, Halawani explained that his earlier work had a western-dimension to it and he felt that he was duplicating the graffiti art of the west in Beirut. He said he started using Arabic calligraphy in his art to give it identity and most recently, he started using portraiture of Arab cultural icons because of his dislike of the increasingly globalized culture in Lebanon.

Halawani chooses to fight that the Urbanista paradigm of the city that is based on globalized identities and a connection to the bourgeoisie world of capitalism., Imagery and street art come to localize culture in Beirut and give it a more original feel. However, Halawani’s actions are influenced by his rebelling class. He admits that his artistic conception of the original transformed from a Western to a more locally, Arab-oriented viewpoint. This further adds to the argument on authenticity as a construct and as a dimension that is subject to change. In another article, Halawani explains that he enjoys graffiti art because it
is not elitist and anyone can interpret it. He explains that one does not have to be elite or have a degree in art history to understand it and that is why he sees graffiti art as democratic.\textsuperscript{76}

Figure: Homeless Portraiture: A Biarti Homage

Because of its relation to the Biartis, the notion of egalitarian and inclusive art manifests itself in Halawani’s graffiti piece called \textit{Ali Abdullah}.

The title \textit{Ali Abdullah} refers to a homeless man who used to live on streets of Bliss outside of the AUB and who became part of the identity of that street. Abdullah lived and experienced Bliss Street in a way that completely goes against its globalized image of a high-end and a consumerist Beirut. Abdullah’s lived experience categorizes him as a Biarti, someone whose life experience auto-deconstructs the image of Beirut.

At about 2 pm on January 8, Abdullah was found dead outside of the gates of the AUB. He died from malnutrition that was accelerated by a severe cold that hit the city of Beirut. Halawani immortalized Abdullah’s portrait on the walls of Bliss and gave it a Biarti place marker, using aesthetics to create a paradox in a street that is branded as Urbanista and global.

In the mural, we see the intricately drawn face of Ali Abdullah with his iconic cigarette. His face is highly emotional meant to elicit a sense of guilt or confusion in its viewers. The mural’s large size creates a strong impact with the viewer. In crafting this work, Halawani follows a form of art activism in which he creates proximity and emotions with the viewer.\textsuperscript{77} Arabic calligraphy surrounds Abdullah’s face in a halo, branding him as part of the local Arabic culture of Beirut that Halawani identifies with. This embeds locality into the meaning of being a citizen of Beirut.\textsuperscript{78} The Arabic sentence \textit{ghadan yawman afdal}, which translates to “tomorrow is a better day,” is written as a subtle, yet powerful message confident in the coming of change.

Halawani engages in a strong form of activism by transforming a space in the Urbanista enclave from a normal wall with no identity to it to a Biarti-branded portrait. In the process, he changes the spatial dynamics of the place and the overall image that is generally associated with it.

\section*{PART 3: BIARTI BEIRUT}
\section*{CHAPTER 5: LIVING THE CITY}

While areas typically occupied by Biartis are part of the lower socioeconomic life of the city, I will not be looking at them as a completely disenfranchised and weakened Beirut. The Biartis practice their counter-hegemony through living Beirut in a non-capitalist, non-spectacular way that does not conform to the Urbanista image of Beirut. Through their lived experience, the Biartis challenge the image of Beirut and provide a counter-argument to it. Consequently, the Biartis exhibit their own form of counter-hegemony that is experienced more than represented.

\subsection*{5.1 “IS THE RIGHT TO THE CITY THE PURSUIT OF A CHIMERA?”}

This is a question David Harvey asks in his book, \textit{Rebel Cities: From the Right to the City to Urban Revolution}. Harvey’s book is an analysis of and debate on the “right to the city,” a slogan that French philosopher, Henri Lefebvre, coined in his book \textit{Le Droit a La Ville}. Harvey’s theory on the “right to the city” is exhibited by the Biartis. The Biartis form their own “Heterotopian” space that produces their socially different life in the city.

Beginning with the notion of “right to the city,” Harvey explains that the right to the city “is not just access to resources, it is the right to change the city according to our heart’s desires.”\textsuperscript{79} This right is about control and extending the ability to physically change the city according to the needs and the desires of the people. The right to change the city falls with the group that is in control of capital and the group that has the financial wealth to undertake large urbanization projects. In Beirut, this group is the Urbanistas who, like Hariri and Solidere, change urban spaces of the city according to their imagined desires in order to attract capital and investment into their areas. Harvey extends this right to other communal groups who lack the financial wealth to change the city, but understand their city and their needs in it. In the Beiruti context,
these groups live in Biarti Beirut.

Biarti Beirut is a Heterotopia, a space of difference. Harvey mentions in his preface that Lefebvre’s important theory on Heterotopic space, explaining that it delineates a social space in which something different from the Urbanista norm is possible. In Beirut, the norm has become the Urbanista spatial lifestyle. This something different is not a conscious plan; rather, it is a natural act that arises out of people seeking meaning in their everyday life. Through this, people create heterotopic spaces all over the city.

The spaces of Beirut are therefore caught between an idealized Urbanista utopia and the contrasting Biarti Heterotopia. The heterotopic is not just a place of social difference, it is also a space in which the overall idealized Urbanista image of the city is challenged and broken down.80 From these heterotopic spaces, the counter-hegemony of the lived experience arises.

5.2 CAN EXPERIENCES OF LIFE BE HEGEMONIC? LIVING THE COUNTER-HEGEMONIC EXPERIENCE

It is easy to label any poor group in the city as a disenfranchised and weakened one. The main flaw with this view is that it indirectly agrees to the Urbanista model in which the only way for happiness and enjoying the city is through spending capital.

Williams presents a new approach to Gramscian hegemony, arguing that Gramsci himself did not argue for hegemony to be a totalizing and abstract system of thought. Hegemony, in Williams’ terms, is a “lived social process” and goes beyond ideology.81 In this context, the Biartis, through their lived-experiences, are practicing counter-hegemony against the Urbanistas. The dominant class might produce a form of hegemony, but this hegemony, when it slips into other classes, is reinterpreted and lived in a different way. The Urbanistas accord a representational hegemony in which they control and push the image of Beirut, do not have total control over the representation of the city of Beirut. Biartis present a different, socially lived counter-hegemony to the Urbanistas through their everyday practices in the city. Their control does not lie in an image or a certain imagined ideology of Beirut; it lies in their everyday purchases of goods, in their spatial practices in the city, and in their overall lived experience in Beirut.

Second, Williams argues that hegemony, even if it is “dominant,” is never really exclusive or total. 82 In complex societies, such as that in Beirut, the dominant hegemony is both accepted and contested, as it is absorbed and reinterpreted by subordinate groups. In that case, hegemony is fluid; it is subject to negotiation and debate, getting transformed in the process. This is an incorporative process, in which the Biartis are granted a level of power. Here, the Urbanistas and the Biartis are not a dominant group and a subjugated group; they are two dynamic groups that interact and oppose each other and present their own forms of hegemony in the city.

5.3 TARIQ JDIDEH: BIARTI STRONGHOLD

Tariq Jdideh is an area in the Biarti model of Beirut representative of the heterotopic space from which difference arises and from where new spatial practices are lived.83 In this area, the Biartis represent a new lived experience in Beirut, one that is far away from the Urbanista model of the city, but that is quite energetic and lively.

This area shares many features of a modern city. It has a history dating back nearly forty years and boasts roughly a quarter of a million inhabitants. It was historically a mixed area between Christians and Sunnis, but today is a predominantly Sunni area. I will take you through a walk I took multiple times in this part of the city, displaying its highlights and its diversity.

Before crossing the highway to enter this enclave of Beirut, there is a sidewalk that is filled with goods displayed on the street. One shop has clothes hanging from the ceiling and suitcases being sold in front of it, while another shop has a plethora of Victorian paintings laid out on the sidewalk and on the inside. The presence of these shops indicates that you are entering a new Beirut, where space and goods are displayed to put emphasis on the “refined” and “global” taste.

Tariq Jdideh is a busy area with a bustling feeling to it, in contrast to the empty feeling of the Downtown. Its roads are an intersecting labyrinth. This characteristic creates a cluttered environment indicative of a lived experience and a vibrant social life in the area. It is both a place of residence and a place of social life, amalgamating a strong city experience. The area fits American sociologist, Elijah Anderson’s, notion of “public life.”84 This is a very public place where individuals see each other, but it is not a display and cosmopolitan type of public. It is public because it makes its inhabitants comfortable and gives them a sense of
Upon entering the area, to your right you will see the Beirut Arab University. This famous university was founded in the 1960s and has deep connections to the Arab League. The university's location in the area indicates an educational culture. However, it is a more local culture in which Beirut is juxtaposed to the rest of the Arab World, contrary to the Urbanista version of Beirut that is globally positioned and Western. If you walk straight from the university, you will see multiple pastry and sweets shops lined up, named after the families who own them (Al-Daaouq Sweets, Al-Aker Sweets). These shops cater to local and traditional tastes and focus more on Lebanese and Arab desserts instead of cakes and the French-style patisserie. In front of the university is the famous National Stadium built by the French in 1936. Here, important football games between rival Biarti teams and the Francophone Olympics were held. This stadium plays an important role in the Biarti conceptualization of Beirut for many of the youth that consider a visit to the stadium to be a social experience.

Social life is thriving in this area. Many Biartis shop and walk along the streets, and are observably busy. This is not the form of high-end capitalist shopping that you would see in a typical Urbanista area. Rather, it is much more local. You have a mixture of shops, from clothing stores to dollar stores and sports outlets. All of these shops are locally owned and no international retail brand has opened in this area. You can choose to go to a supermarket or you can buy lemons or fruits from one of the old men pushing a wooden cart with fruits displayed on it. This area is a quintessential Biarti environment. The area has multiple local eateries with tables outside on the sidewalk, and some local residents usually pull up a chair and smoke a Shisha (hookah) on one of the pavements. The two most popular spots in the area are the Abu Ali and the Four Chickens restaurants, offering grilled and roasted chicken and El Huwari Juice Parlor, where you can get the local favorite fruit cocktail or the ice-cream blended drink.

Perhaps the most striking visual element of this area is the use of advertisements and pictorials. In this area, you do not have the consumerist and displays exhibited in the pictorials and advertisements that you would find in Urbanista Beirut. You might have some billboards with advertisements of toothpaste and biscuits, but I would argue that advertising in this area is used as a form of simple expression and communication. You would see simple and printed papers hung on trees, pasted on walls announcing that Abu Ali has a new bakery or has a new selection at his Furun (a colloquial way of saying “oven”, to refer to a bakery). You will also see local advertisements for pilgrimage campaigns to Mecca, indicating again a locally oriented Islamic and Arab vibe to the area. Perhaps most striking is the use of cloth that sometimes has words and statements painted on it with brushes. The textile is hung from one balcony of a building to another and has Arabic written on it. Sometimes a congratulatory message might be written on the cloth. Other times it is used to announce the opening of new shops using phrases such as, “did you hear? Abu Ahmad just opened a new shop around the corner.” In addition, when it is the Islamic Eid, the cloth is used to greet the residents of this area on this holiday. These advertisements show a community in conversation through simple forms of expression. There is no display factor to it, but there is also no desire to be on display. These are not advertisements that are reproduced digitally from one area to another; they are made by families and their children, and are locally bound to the area. This area is one of many Biarti areas that have their own flares and heterotopic difference.

5.4 MAR MIKHAEL: BIARTI BOHEMIANISM

Mar Mikhail is an area of Beirut that is full of villas and houses from the 1800s, and the 1930s, in particular. Like Tariq Jdideh, it always had a mix of commercial and residential social life within its enclave. The area has a strong Armenian character to it, as many Armenians and refugees settled there after the Turkish genocide of 1915. This makes it a diverse area full of quirks and different styles of architecture, and with a diverse residential clientele. The area has always been known for its multi-sectarian identity, attracting groups of young people who want to be in non-aligned areas.

Walking Through Mar Mikhail

Solidere, the Urbanista-style company that reconstructed the Downtown, wanted to acquire Mar Mikhail and transform it in the process. It would have been a prime extension for the Urbanista enclave, as it would have had a mix of churches from the 1500s and historical sites that would have worked well for tourism. Solidere was not able to commandeer the land.
and did not renovate it; however, they renovated the façade of the entrance to the area. This is important for Solidere, since the visitors of the Downtown who gaze at Mar Mikhael without entering can only see an Urbanista style façade that blends in with the rest of the Downtown.

Before you enter Mar Mikhael, you see two picturesque old Lebanese houses that stand at its entry. With their warm colors, and brick roofs and pine trees. The houses create the allure of a picturesque residential area. The house on the right side has an international artisan bakery on its ground floor, the famous and expensive Fauchon patisserie. The house on the left side has another famous international and French eatery, Chez Paul. Since Solidere only acquired the façade, they made sure that the gaze of the tourist (or the Urbanista) only sees an internationalized Beirut. After you cross these two houses, you enter a narrow, one-way street area with cobbled stone pavements. Suddenly, you are transitioned from an Urbanista-like area with grand Parisian boulevards to a cluttered and medieval-style area that has shops stacked on every corner. You can go in the old alley on the left and stumble into a small garden with a Lebanese boutique next to it. Alternatively, to your right, you will find numerous medieval style Churches and small grocery shops lined up next to each other. Most of the shops have old men or women operating them, indicating longevity.

The area has a bohemian character defined by its numerous art galleries and small locally owned bars. While you walk, you cross old and big staircases, a rare site in Beirut. Some of the staircases are colored and painted; others such as the Saint Nicholas Stairs have historical fame. While you cross these staircases, you pass Rmel 392, a nonprofit art gallery that displays local artists who are not famous and who cannot afford to display their work in galleries without charging them.

The area has a plethora of locally owned restaurants, but does not have any international franchises. You can have the traditional sage bread at the famous Tonino, or you can enjoy baked items at the Bar Tartine bakery. There are restaurants and pubs that cater to every taste and age. A famous pub, where most people just stand at the sidewalk, is called Radio Beirut. This one caters to a youthful clientele. Another restaurant called Enab, which offers local culinary delights, caters to a more family-oriented crowd. Next to it is an independent pop-up shop called, Plan Beirut that sells handmade goods and art from local artists, and promotes the city of Beirut. They have a big repository of photos depicting old Beirut, and Beirut during the civil war, and have numerous artifacts inspired by Lebanese singers and heritage.

Some authors have argued that this area might be susceptible to gentrification. They argue that a creative middle-class has settled in the area simultaneously transforming it. While it is true that outsiders own some of the restaurants, they now own land that was formerly not being used or was empty. Hence, they did not take the space away from local residents. The settling of this creative class should not be perceived in a negative way, as it shows that Biarti Beirut offers the middle class bohemians an escape from the sometimes-forced internationalism of the Urbanista Beirut. The allure and the independent feeling of this area, with its old houses, diverse restaurants, and medieval pavements, is the best representation of a lively and attractive Biarti Beirut. In order to show this liveliness for outsiders, I will introduce my interview with Sasha, someone from the intellectual class who identifies with the Biarti narrative of Beirut.

5.5 THE BIARTIS THROUGH INTERVIEWS
Samar: Creating Difference in Beirut

“If you take me out of Beirut, I feel like I cannot breathe.”

My interview with Samar lasted around 4 hours. She had a lot to say about Beirut. She exhibits a sense of belonging to the city, which is a crucial part of the Biarti experience. She struggles in Beirut financially and is on the poorer side of the spectrum. However, she still enjoys and loves the city. She is of Palestinian descent, but identifies as a Lebanese citizen. She has been living in Beirut for around thirty-five years and hopes to continue living in her city.

Samar lives in an upper-class Urbanista area called Rouche, a famous area by the beach where the average apartment costs 5 million dollars. This is an Urbanista space that is designed to project a utopian image of Beirut; however, Samar’s lifestyle is different and this creates a heterotopic space. Samar is on an old form of rent, which enables her to stay in this area. Her property owner is continually attempting to find different ways to evict her, but she keeps fighting him regardless. Samar’s life creates a crisis of representation in the area. While Rouche creates the image of a
beach-life haven, where you enjoy magnificent views from the skyscrapers, Samar enjoys the same view from her humble home. Instead of living in one of the Urbanista buildings, or going down to one of the fancy restaurants, Samar puts a pot of Turkish coffee on her balcony, smokes a cigarette and enjoys the view. She gazes at Beirut and does not conform to the Urbanista way of looking at Beirut. If people come over, she invites them to the balcony to share this space over some Shisha, fruits, or juice. From the comfort of her balcony, she recreates the social life present in the restaurant and gets the same indulgence from the city.

Samar told me that when she is bored, she calls to her neighbor living in the building in front of her, or she yells to the woman who works at the mini-market on the ground floor of her building, asking her to come up. Samar told me that even though she lives in Rouche she does not buy her necessities there. She leaves the area to buy groceries, clothes, and other items that she needs. Samar creates difference through leaving, bringing in goods from Biarti areas and then using them in these Urbanista enclaves. This difference arises from Samar’s willingness to break the Urbanista norms of the area and defy the socio-spatial habits of the space.

Biarti Physical Mobility

In the Biarti model of Beirut, you are not confined to three or four areas where you practice certain habits, for you visit most of Beirut. Physical mobility is strong with the Biartis because it is not based on money and because they do not exhibit a strong fear of the “other” in the city. Their familiarity with the neighborhoods of Beirut instills in them with a general feeling of security in the city. This allows them to move freely among different spaces of the city.

Samar embodies this diversity of the lived experience; she could not give me a concise conceptual map. She told me she goes to the light house, Manara, for cups of coffee, she goes to Talt el Khayat to visit friends, to Sa’yet Al Janzeer to visit family, and to Jiyeh to get and buy goods in bulk. Living Beirut for Samar is not based on plans; it is based on when her sister gives her a call, on when her friend invites her over for coffee, and when she needs to buy clothes and items for herself or her children. Overall, social visits are very important for Samar. This indicates a strong communal bond in the Biarti areas based on visiting each other’s houses. Samar enjoys her life in Beirut, even if it is centralized in households, because she has a new story to share every day. Although Samar is a homemaker, she also works on the side, in people’s houses, to get extra money. She works as a hairdresser and as a manicurist, working for various clients in their houses. Through this, Samar enters a new world every day, full of laughs and mini stories shared with people and constant surprises. For Samar, an attempt to make extra money and survive in an expensive city like Beirut turns into a story and an intimate experience.

Samar understands that the Urbanista areas of Beirut do not welcome people like her, but she still goes to these areas every now and then. She said “I know the place [Beirut Souk], is designed to psychologically make the poor feel uncomfortable, but it is still my right as a Lebanese citizen to go.”

Sasha: Biarti by Choice

“I do not think Mar Mikhael is completely gentrified. Every Saturday you see the old inhabitants of the area standing side by side with the youthful bar owners protesting against the entry of big corporations and against the demolition of historical houses.”

Sasha represents a person who chooses to identify as a Biarti and who finds the “lived” experience of Beirut as a fluid one that is constantly changing through her daily experiences. Sasha was born and raised in Lebanon. Until she was five, she lived in the northern part of the country, in an area called Kfer Hbeib. She has little recollections of life in Lebanon. She migrated to Virginia in the United States and spent most of her life there. She later studied in Washington, D.C. and after graduating chose to move to Beirut to get the experience she “never got.” She works for a locally owned newspaper called Now Lebanon and has been living in the city for a year and a half.

Framing Sasha’s Conceptual Map

Usually the Lebanese of the diaspora have converging interests with the Urbanistas when visiting Beirut. However, Sasha is not interested in being one. She likes the Biarti form of life in Beirut because of the sense of chaos that is endearing to someone coming from the West. Sasha commented on life in D.C. saying, “life is too sterile in D.C. and it does not lead to interaction.” For Sasha, in Beirut you learn how to
function as an active human being, asking people for help, and bargaining at some shops.

Sasha gave me the most lived conceptual map of Beirut -- Mar Mikhael (where she lives), Hamra, and Dahyeh. For Sasha, this map consists of her points of reference, indicating that these are the most important geopolitical focal points of her Beirut. By choosing Dahyeh (the Hezbollah stronghold), Sasha indicates that she does not have the Urbanista fear of the Biarti other.

In this map of Beirut, Sasha has a flexible routine of going to the office, waking up at 9 a.m., and walking to get a “service” (a local way of referring to the taxis you pick up on the road) in order to get to work. The service costs around one dollar or two dollars for a ride in Beirut and is the epitome of the Biarti form of transport. Those who ride the “service” will be riding with strangers because the taxi picks up several people and takes them to various locations. This form of transport is lively, indicating openness of interaction and a continually changing daily experience. While most Urbanistas want to use their wealth to have privacy in their private cars and isolate themselves, the Biartis have an adventure everyday with public transport. Sasha loves this adventure; she exclaimed that while most of the rich stigmatize the service and tell her not to ride it alone as a girl, she finds it very positive overall. For her, the taxi driver’s mood always sets the mood of the day and indicates how life is going on in Beirut today.

Apart from going to work, Sasha told me she generally does not like staying at home. She always goes out, almost every night, especially in Mar Mikhael because there is so much to do. She finds life in the city easy going, you do not need to plan, display yourself and look for big outings. She just randomly meets a friend at a bar or stumbles onto another one at a café.

Sasha lives a fun and simple life in Beirut, based on walking, taking random taxis, exploring new cafes, and other activities. She told me she just enjoys being lost in the city, and that every area with its various alleys and intersections make you discover something new every day. From one street to another, there is always a new shop, a new restaurant, and a new person with a story.

**On Urbanista Beirut**

Sasha has the developed cultural capital to frequent Urbanista areas such as the Downtown, Verdun, and Zaytona Bey, but she chooses not to. These areas do not mean anything to her because this is not where she lives Beirut. This might seem ironic to the Urbanistas because Sasha is already in the global link by virtue of having lived in Washington D.C. She, however, finds those areas to be fake and do not provide her with the city experience she enjoys. Sasha told me “the Beirut Souks is not somewhere I feel at home.” She might take some tourists there, but she does not generally like its scene. Sasha explained, “the Downtown of Beirut is not meant for Lebanese people, it is meant for the Gulf tourists who have more wealth.”

Sasha also described to me an eerie moment that really disturbed her and summarized Urbanista Beirut for her. She mentioned that one day she went to the Beirut Souks after an explosion had just went off in the area and people were still shopping and Christmas music was playing. The Urbanistas were not disturbed as long as their spatial and capitalist habits were not broken. In Beirut, violence restricted to certain areas does not represent violence against the entire city and is not a big issue to worry about for the Urbanistas. It shows how social class influences the conceptualization and experience of violence in the city and how it becomes space-specific.

**On the Image of Beirut**

Sasha indicates that the promotion of Beirut as a worldly capital is a deliberate one. Since she works in journalism, she has seen many foreign journalists from the *New York Times* and other famous agencies getting “parachuted” into Beirut and only taken to the Urbanista areas. These journalists spend 48 hours and only experience “French Districts,” sampling the best of food and clothing. After that, they go back and write the article that usually goes along the lines of, “Beirut: Paris of the Middle East.”

The main issue Sasha has with the image is that it projects a cosmopolitan Beirut, when in reality the people do not have this sense of acceptance. Sasha espouses a cosmopolitanism that is similar to French theorist, Jacques Derrida’s definition of cosmopolitanism as that of acceptance and forgiveness. For her, this cosmopolitanism is not seen in the Urbanista areas. While they might be worldly in the image, the areas are polished and cleared of the poor because the rich do not want to be in proximity with them. Globalism for her is not just the image and the buildings; it should be a sense of social trust, a sense of inter-
sectarian cooperation and a sense of inter-class cooperation.

Sasha believes that it is the image that drives the reconstruction of Beirut in this Urbanista manner, and it is leading to the rise of further walls of separation. She said “poverty is licking people in the face right now” and the way Beirut is being redesigned is only adding to the existing socioeconomic divisions.

Sasha still believes Beirut is global, but only in the sense that that there are different groups of people from various backgrounds coming together in the city. She explained if you “compare Beirut to Paris, London or Istanbul it does not hold, it is somewhere in the middle.” She knows it is not any like any other Arab city, but it is still not Milan or Berlin, and it does not need to be. Clearly, Sasha has a Biarti model of being global. It is not based on high-end shopping or skyscrapers; it is based on difference and interacting with different people.

Lara's Conceptual Map

Lara’s conceptual map is between Hamra, Mar Elyas and Verdun. Her conceptual map is upper-middle class and is not associated with poverty. Lara goes to these areas; however, she practices non-Urbanista habits of life. She visits families; she goes to cheaper grocery shops; and she goes to hangouts at friends’ houses. She told me life in Beirut is always an adventure. You hunt every day for the cheapest of products and the goods you can afford.

Lara does admit that she feels like she does not belong in the high-end expensive areas such as the Downtown and Zaytouna Bey. She says that she cannot afford the lifestyle that goes along with those areas and she does not really like it. Lara exclaimed that if she goes there, she feels depressed because everyone is wealthier. She said that she could not see the lifestyle in those areas and then go back home to see homeless Syrian refugees sleeping on the streets and trying to find blankets to cover from the cold. Lara showed how multiple lived realities exist together in Beirut, indicating that while the Downtown might be as ideal as the image, the rest of the areas exhibit different forms of life.

She ended her conceptual map by saying Beirut is still her city, and that you cannot just feel hopeless and you need to work with your people, your acquaintances, and your family.

Lara’s Right to the City

In her interview, Lara expresses a right to the city of Beirut, talking about what the city lacks and what its citizens need. Lara told me that she knows the upper class in Beirut is concerned with the image and with nice buildings, but she said the city is in need of more than that. Lara begins by explaining that there is a growing lack of comfort in Beirut, where people always feel agitated and scared. She continued on to say that it is ludicrous that there are still power cuts. This is worsened in an environment of limited security and a general feeling of paranoia, not knowing what tomorrow will bring in terms of explosions.

Lara indicated that there is no adequate healthcare system to protect the poor. She gets medicated at the pharmacy for many of her illnesses because she cannot afford to go to the doctor. She further exclaimed that she cannot sleep and that she is resorting to taking pills from the pharmacy. The stress of life and the lack of medical care have left Lara sleep deprived and struggling with anxiety.

Lara added some worries about her children and providing adequate education for them in our conversation. She said, “in Beirut, if you want a good education, you need to be rich because if you are poor, you end up in the government system, which is disastrous.” Lara told me that she always ends up paying high fees for private tutors because the educational system at school is inadequate. She proceeded to talk to me about her son, who is now in his first year of college and who works as a bellhop at a nearby hotel in order to support himself. Lara then told me that her son came to her one day telling her he was shocked to see their neighbors checking into the hotel for a small “getaway.” She told me he could not comprehend why people would take hotel vacations in their own city.

Lara’s story of her son indicates that for him Beirut is
not a world of leisure or of expensive vacations at a hotel. Despite working at a hotel that is a focal point for Urbanistas, he lived Beirut in a less affluent way and is continually baffled by the Urbanista lifestyle.

A Sectarian Beirut

Lara seemed to have an awareness of sectarianism in Beirut and in Lebanon as a whole. The Urbanistas, in their interviews shy away from discussing the issue of sectarianism, almost denying its existence, while presenting an ideal image of Beirut. In Lara’s Beirut, a more local and inward one, sectarianism is mentioned. Lara decided to do another follow up on my conceptual map question telling me that the real conceptual map of Beirut is a sectarian and racist one. She said Beirut is three areas, Verdun (the Sunni upper-class enclave), Ashrafieh (the Christian upper-class enclave), and Dahiyeh (Hezbollah stronghold that transformed from lower-class to upper-class). In this map she said the Sunnis are hurt the most. Lara contends that unlike the other sects, the Sunnis are not allowed to have a building or a gun license. In her opinion, the Gulf countries help the Christians while Iran helps the Shia and the Sunnis are left with nothing. Lara seemed to hold a grudge against the Shia in particular, claiming that they used to be house cleaners and now are billionaires in Beirut. She said that the Shia ultimately want to remove the Sunnis from Beirut and to take full control.

Lara’s mention of sectarianism indicates a different Beirut experience. It shows that sectarianism is a lived phenomenon with some of the poorer segments of society. It is very different from the idealized image of upper-class coexistence. For the Urbanistas, sectarianism is not an issue as long as wealth and capital is being spread between them. The Biartis on the other hand, due to their lack of financial wealth, are sometimes susceptible to falling into an othered, sectarian identity.

Challenging the Image of Beirut

Lara blames the current image of Beirut on Hariri, the billionaire behind Solidere and one of the prime Urbanistas. Hariri, she believes, wanted Beirut to become a nightclub capital and he angered the Biartis in the process and impoverished them. Beirut for him was for the spectacle and for fun. Lara exclaimed that the process Hariri laid out is still indirectly going on after his death. Ultimately, all of this occurred in order for him and his group to attain money. Lara challenges the image of Beirut as a given and indicates an awareness that this image is being constructed to bring in money.

For Lara, Beirut is not a global city and she sees that the media exaggerates it. She said the bourgeoise go and give their idea of Beirut to papers and magazines such as Conde Nast and that their rankings of Beirut are not a reflection of reality. This image is for the elite only and is solely for entertainment. Lara passionately said that the “existence of poverty is in itself proof that Beirut has everything and is not just the image.” Lara is not only practicing her hegemony through her lived experience, but also by affirming that Beirut has multiple realities at play.

She concludes by saying that Beirut is class-based and will remain so in the foreseeable future. In this city, the multimillionaire and the beggar coexist and both have a different perception of what is Beirut. For Lara, the Biarti is “living in poverty, but is still smiling and happy at the end of the day.”

5.6 CREATING BIARTI SPACE IN URBANISTA AREAS

Spatial experiences in Beirut become more contentious in areas where the line between public and private space is blurred. Saifi Village, an enclave of the Downtown, that is a privatized public space of the city, is a popular hangout for the Urbanistas. Despite this locale being a public space, Biartis are rarely spotted there because they either cannot afford the eateries or cannot blend in with the general ambience of the area.

In the middle of the Saifi Village, there is the usually empty “quartier d’art,” the artisan quarter of this space. The space in this area is ordered and calm, with the only busy area being the one surrounding the restaurant, Balima. The exotic restaurant mixes oriental and French dishes and caters to a large Urbanista audience.

The restaurant had the usual Urbanista clientele, between one table discussing their latest travel to New York, another table with a fashionable girl insisting to pay the bill for the group and another one with English-speaking Lebanese discussing the latest in the art scene. This utopian Urbanista scene was interrupted by the entry of three elderly people, who sat at the bench in the square. The individuals were wearing worn-out clothes and somewhat torn shoes, indicating humble backgrounds.
The people at the restaurant tried to ignore them. Every now and then, they would stare at them and wonder what they were doing there. The elderly Biartis would not stare back. The Urbanistas could not commodify and turn these Biartis into a spectacle they enjoyed, as their existence was not controlled and it indicated the presence of a different Beirut. They were having a good time. The two women were eating biscuits and the man was busy sorting through his notebook. After a while, this notebook turned out to be a book of poetry and the man started reciting this poetry aloud to the two women. They were amused and one of them held his hand in the process. They created such an extreme Heterotopia in a space that was expected to be an Urbanista utopia. If this space was truly public it would allow for a fusion of many Beiruts in a bustling city scene; however, its layout makes it appear like two Beiruts colliding and unable to exist together.

This begs the question; can public spaces in Beirut be open to everyone? The presence of the elderly in this space created a disruption, which should not be the case. The reason these Biartis created a Heterotopia in this space is that the mannerism and the design of it became pegged with a social class instead of being open to all. Their presence, even though it is spatially normal to them, became an anomaly in the overall surrounding. Experiences such as these should be indicative of the need to reassess urban design and planning in a city like Beirut, where divisions are constantly being created. Public spaces should not be promoted as such when they are not equipped to welcome individuals who cannot afford the restaurants present in them. Further policies need to be considered in order to truly encourage public visitation to places such as the Downtown and promote it as a welcome place to all social classes. Placing one bench next to an expensive eatery in an area such as Saifi makes it appear as if it caters to both upper and lower-income individuals, but that is not the case. The space is still not commonly accessible and the bench can be a product for individuals who might be surrounded by several Urbanistas enjoying fine dining while staring at them. Incidents such as these yet again show that Solidere only accounted and designed the Downtown to anticipate upper-class urban life to thrive in it, creating further social divisions in an already divided Lebanese society.

CHAPTER 6: THE URBANISTA HOPEFULS

“Nightlife in Beirut is much better than New York and Western Europe in general. I recently visited China and the nightlife there also does not compare to Beirut.” 90 With its focus on internationality and clubbing as a form of leisure, this statement might appear as that of an Urbanista residing in Beirut, but it is actually that of a “hopeful.” This is a group who lives in the Biarti part of Beirut and shares the same socio-economic status, but chooses to identify as Urbanista. They are “hopefuls” because they want to be part of the Urbanista group and describe Beirut in a globally oriented, Urbanista manner.

6.1 INDIVIDUAL TRAJECTORY VERSUS COLLECTIVE TRAJECTORY

In Distinction: A Social Critique of the Judgment of Taste, Pierre Bourdieu argues for the distinction between individual trajectories and collective trajectories. A person following an individual trajectory shares the same initial capital of his or her class, but deviates from the projected future of that class. 91 While persons following a collective trajectory follows the same interests of their class and are conditioned by it. Urbanista hopefuls have a different social trajectory because they attend the best private schools and receive an education that advances their social mobility.

The Hopefuls also possess cultural capital: a set of social assets that ensure social mobility in non-financial and non-economic terms. 92 The assets that form this capital include education, dress, language, knowledge, and social assets that ensure upward ascendance in society. Their cultural capital is Urbanista “knowledge” of Beirut, the ability to display themselves, and Urbanista discourse. The Hopefuls use their cultural capital to upgrade to the Urbanista clan.

6.2 JAD: URBANISTA DIALECTICS OF BEIRUT

Jad comes from Tariq Jdideh, the main Biarti area, but does not identify or act as a Biarti. While Jad is not affluent, he clearly has developed cultural and educational capital through attending a private school that offered him a competitive education. He is currently on a scholarship to pursue undergraduate education in Washington DC, thereby establishing the global link commonly represented by the Urbanistas.

Jad’s Conceptual Map: An Urbanista One

Whilst Jad lives in the Biarti stronghold of Bei-
rut, his conceptual map is that of an Urbanista. He
does not have the full financial capital to fully enjoy
these Urbanista areas, but has developed cultural capi-
tal to blend in fairly well.

“I go to Hamra, Gemayzeh, Downtown, Rouche,
Achrafieh, and Bliss Street for fun,” Jad told me. These
“areas offer me a sense of globalism and are hybrid,
multicultural, intersectarian and religiously diverse
ones,” Jan explained. He continued, saying “in them I
can find a bar in a 10-minute walk from a mosque or
a church.” This indicates Jad’s desire for the material-
ist and the religious to coexist in Beirut. He believes
education and openness will bring people together in
these areas and allow them to be accepting of other
cultures.

“I believe the presence of the American Univer-
sity of Beirut and the Lebanese American University
in these areas help the poor transform and allow the
previous sectarian individuals to become more open.
I have seen actual transformation take place with indi-
viduals who went from being bigoted to open through
attending an elite education.” Jad speaks of the poor–
the Biartis–from a distant perspective. He is indicating
that he already feels like he belongs to a different
class and essentializes the lower class as in need of
transformation.

“Even though I am Palestinian, I avoid the refu-
gee camps and the south of Beirut,” Jad told me, re-
garding why he does not frequent certain areas of Bei-
rut. These areas do not offer Jad the Urbanista image
of Beirut or the spatial life in the city. Moreover, if Jad
visits the Palestinian camps, he would be identify-
ing with the lower caste of society, which he believes
would harm his chances of joining the Urbanistas.

Like the Urbanistas, Jad uses spaces of the DOW-
town to describe his ideal Beirut. “I love the Down-
town and the Beirut Souks areas because they symboli-
ze the “will of the Lebanese” to rebuild after conflict
and damage [from the Lebanese Civil War].” He sees
it as the best possible image of Beirut because it is an
open space in which all the Lebanese are welcome.

He explained the “Downtown is very special be-
cause you see a Christmas tree in front of a mosque
and you see a veiled woman taking a photo behind
such a tree.” Because this is unique to Beirut, Jad indi-
cates a strong sense of exceptionality. The Downtown
provides him with the image of an inter-confessional
and religiously coexistent Beirut that he cannot find in
his homogenous, dominantly Sunni Biarti area. These
Urbanista areas provide Jad with a Beirut in which
there is no “East-West divide” and no fear of the reli-
gious other.

Jad completely supports the reconstruction of
Beirut, which indicates his approval of Solidere. “I
know some of the poor might say they had property in
the area, or that Solidere took it away from them, but
the property did not have the same value back then
and the people neglected it.” Jad’s support of Solidere
indicates that his social class interests are now aligned
with the Urbanista interests. He is disassociating him-
self with the Biartis, who criticize Solidere and sup-
porting the company.

Constructing the Image of Beirut to Ensure Class
Mobility

Similar to Urbanistas, Jad emphasized the club
scene in Beirut. He mentioned its ranking as one of
the best in the world and compared it to the West. He
added, “from my travels I know that it is better than
the West, and my friends agree to that as well.” Jad feels
it is important for Beirut’s clubbing scene to top that
of Western cities in order for Beirut to gain its global
status. He said, “The best nightclubs are the “Skybar,”
“White” and “One,”” all the premier, expensive night-
clubs of the city. He likes these in particular because
people of diverse backgrounds come to seek leisure.
This narrative is typical of the Urbanistas; leisure is
quintessential of the urban experience.

Apart from clubs, Jad indicated that Beirut al-
ways has international concerts, especially in the sum-
mer. He said “bands like Mackelmore, DJ’s like Tiesto,
and rappers such as 50 Cent all came and still come to
Beirut.” These are mainly lead entertainers from West-
ern nations, whose coming to Beirut indicates moder-
nity and globalism. He told me some might find the
presence of such performers to be odd in an Arab city,
but for “us” this comes naturally. Here, Jad speaks of
himself as an Urbanista. He advocates for expectional-
ism and frames globalism as a natural order.

Overall, Jad uses Beirut as a means to a rich
end. For him, the description of the city and his
spatial experience in it become empirical markers
of his ability to join the upper class. In his Beirut,
the nightclubs are an important Western motif, the
areas are of mixed sects, the restaurants are global,
and the cultural scene is international. This Beirut
brings him closer to the Urbanista one, which he
hopes will one day accept him.
PART 4: URBANISTA MEETS BIARTI
CHAPTER 7: TWO BEIRUTS COLLIDING

Biarti and Urbanista interactions can range from neutral exchanges to more aggressive displays of power and resistance. In certain instances, the Urbanistas seek to tame the threat of an alternative Biarti by incorporating colorful, consumable, and non-threatening aspects of the Biarti cultural life into a commodified Urbanista vision. An instance of this takes place at the annual farmer’s market in Downtown Beirut. In other situations, there is a static Biarti resistance against the Urbanistas within the confines of the Downtown. This was the case during Hezbollah’s protest in Downtown Beirut from 2006 to 2008, which was a short-term way for the members of Hezbollah to reclaim a part of the city that ‘othered’ them.

7.1 CONSTRUCTING AND LIVING GROUP IDENTITIES

Just as tourists consume the cultures of certain groups in cities, local affluent groups can also consume the culture of “others” in the city. This is driven by the appeal of having an authentic self, presented for the consumption of the other.93 The group has to be authentic for the “other,” dominant group to enjoy it. This is, according to Raymond Williams, a “process of incorporation.”94 In this process, the dominant culture absorbs the counter-hegemonic culture to contain the threat of an alternative, new normative vision. The Urbanistas, desiring to incorporate counter-hegemonic groups and to entertain themselves, absorb and create a certain Biarti “culture” to be represented in the Souk, which is a traditional Arabian trading market. The Biarti group in this sense becomes acceptable because it is tamed and is being displayed according to the Urbanistas. Through this process, the Biarti group identity becomes exotically acceptable and fetishized, and is transformed into a product that the Urbanistas buy and consume.

In this process of commodification and consumption, members of the dominant group are able to enjoy their time without strong interaction or communication with the displayed other. Being faithful to certain historical reconstructions and buying into their “culture” allows for a form of gratification and enjoyment without the burden of understanding or communicating with the other groups. It is a form of surface-level communication in which seeing becomes a form of communication, but no actual communication takes place.

Dominant groups are not the only ones with power in this form of interaction and role-play. Lower tier groups such as the Biartis also have agency in this relationship, even if they are acting out an identity for the dominant group. Groups that go on display for others do not mind doing so because they attain a surplus of money.95 It is a form of “political performance,” in which the “authentic” group displays itself for the entertainment of others and benefits from it in the process. The Biartis have two forms of power in this theatrical process of display. Firstly, they attain money through fabricating a constructed identity for the Urbanistas. Secondly, they ‘othered’ the Urbanistas by assuming they are naive and ill-informed of other groups in the city, creating a tabula rasa to display themselves in whichever way they like.

James C. Scott discusses the form of indirect agency that the Biartis and the “other” groups have in his book, Weapons of the Weak. Scott distances himself from a Gramscian definition of hegemony in that he does not see subordinate groups completely accepting a dominant hegemony. He argues that the subordinate groups have an inside and an outside discourse called a “public transcript” and a “hidden transcript,” respectively.96 The public transcript is the language that the Biartis use in their conversations and displays for the Urbanistas in consumption areas, such as the Souk. The public transcript is itself commoditized because it facilitates consumption and makes the Urbanistas feel unthreatened by the Biartis with their own normative presence in Beirut. The hidden transcript includes the counter-hegemonic group’s actual thoughts, expressions, critiques, and mockery that are not displayed to the dominant group. In the Souk, the Biartis have a hidden experience in which they actually express their lived moment in Beirut and their mockery of the Urbanistas. The hidden dialogue is threatening and is indicative of power and resistance; thus, it is not publicly expressed when the Urbanista/Biarti relation is based on consumption and interaction.

7.2 PROVINCIALIZING THEMSELVES FOR OTHERS: THE BIARTIS IN THE IMAGINED FARMER’S MARKET

The Farmer’s Market called Souk el Tayeb (a whimsical way of saying the “market of that which tastes good”) is a highly anticipated event for the Urbanistas in Beirut. The market is ironic because the
whole notion of organic living, which is imported from the West, is not highly applicable in Beirut. The average supermarket in Beirut will sell organic goods that are brought down from the farms in the agrarian areas of the country.

At first glance, the market is commissioned for Urbanistas. It is an organized market with local appeal in the heart of the Downtown. Its location ensures financial stability and growth by attracting various Urbanistas on their daily shopping habits, allowing for a break in their routine to consume local goods. Its weekly occurrence allows for a break in the globalist feel of the area through constructing a spatial narrative of what is local through the consumption of goods.

The dominant demographic present in the market are Urbanistas and European tourists. The tourists were consuming what they thought was a local form of culture. The Urbanistas became like the tourists in that they were so estranged from a local form of culture that they came to the market fetishizing it. Everyone was extremely well dressed for such a market experience, from Chanel handbags to full make up and high heels. The men, dressed mostly in fancy blazers and expensive forms of attire looked like they were heading to a night out. It became one of the prominent spaces for people to enjoy their time and consume and absorb local culture. It was an affair—a spectacle—that heightened the sensations. It was, as Dicks points out in her book Culture on Display, a “scenographic tableaux,” in which the dullness of everyday Urbanista life is broken through “local” enjoyment.

The Biartis, on the other hand, were dressed up in peasant-like attire, recreating the scene of the mountains. Some of them did come from the North or from the South but the majority actually lived in Beirut. However, to ensure Urbanista consumption of their goods, they constructed a peasant-like identity. Guy Debord’s Society of the Spectacle came to life in the middle of the market, where the Urbanistas reduced the Biartis to a mere form of representation. This was part of the affair of the market: situating the local with the global, the peasants with the urban rich. Instead of the Urbanistas going to the South of Lebanon to have a rugged culinary experience, the Biartis recreated it for them in the comforts of the Souk. It was a polished experience in which a local culture could be consumed and enjoyed. Perhaps the most intriguing juxtaposition of local and global cultures was the position of the restaurant in front of the souk, the Metropolitan Eatery restaurant, a global cafe. Some even bought goods from the Souk, ordered coffee at the restaurant, and enjoyed the show. From the comforts of the global rose the spectacle of the local. If the Urbanistas wanted to try local products, they could buy them from the upper tier organized stands that sold handmade soap, fatayer (a spinach-filled pastry), and other products such as “essences of the mountains.” In this process, the Biartis were tamed in a non-threatening way for the Urbanistas. The Biartis were living Beirut based on the Urbanista imagination and Urbanista terms. They did not exist as a separate group in this place with their multiple lived realities in Beirut and did not threaten the Urbanistas.

As Dicks argues, interaction in these premises is kept to a minimum. The groups observe each other without communicating. Most of the people would go to the stands, look at the items and not interact with the shopkeepers. Others were willing to sit down on a chair while a lady dressed in local garments made traditional Saj bread and told them how the “ingredients came down from the mountains.” Others simply did not know what these local ingredients were and would ask the baker. This was the closest they got to communication. The conversation was based on the consumption of culture.

In this market affair, the Biartis were not void of agency. On the contrary, they had financial agency. They were not necessarily using this area of Beirut on Biarti terms, but they were playing on the Urbanistas in their own enclaves. The woman baking the traditional bread told me, “I only pay 50 dollars for this stand and I get a lot of profit in return.” Thus, as Dicks point out, this voluntary performance is beneficial as it brings the Biarti profit and wealth from the Urbanista areas.

Scott would argue that this woman was using both a public and hidden transcript. With the Urbanistas, she was describing the herbs and spices that went into making this dough pastry, making this local culinary cuisine exotic. When I asked her about her actual life, she used a hidden transcript, telling me that she’s making money in this process and she does not care if she dresses up to amuse the Urbanistas. Within the confines of the same space, two transcripts and two ways of discussing Beirut arose, depending on the person she was interacting with.
7.3 HEZBOLLAH AND URBAN RESISTANCE: CREATING BIARTI SPACE IN THE DOWNTOWN

In his book, Practice of Everyday Life, Michel De Certeau distinguishes between what he calls “strategy” and “tactics.” Dominant power hierarchies, institutions, and structures use strategies through which they implement their visions for the city and for everyday life, including mega-planning of skyscrapers and boulevards. These long-term plans are designed as a reflection of the power of the institution. These plans describe the city as a unified whole and give it its current image and design.

At the same time, individuals who are not at the top of the power structure engage in short-term tactics. These plans occur in ways that are against, or of no relevance to, the power structure associated with the strategy. The tactical plan can range from a different way of living the planned space of the city to short-term, active resistance against strategic powers, such as Hezbollah’s sit-in in the Downtown of Beirut. The Downtown is the product of the reconstruction company Solidere’s strategic plan to unify and make Beirut an Urbanista whole from this enclave. In the Downtown, the space was designed for use in accordance with the planned strategy. However Hezbollah also engaged in a short-term tactic within this space. The party disrupted this place, its plan, and its overall layout. With these tactical measures, Hezbollah sought to temporarily change the urban meaning of the space. viii

On December 2, 2006, Hezbollah launched a massive sit-in in the Downtown enclave of Beirut. The party was protesting against what they saw as a US-backed government under then-Prime Minister Fouad El Sanioura. The sit-in lasted on and off until 2008, when the Lebanese parties signed a new peace and dialogue agreement in Doha, Qatar called the Doha Accords.

Understandably, the usual analyses of this event are based solely on political lines and consider it to be one of many protests that occurred in the Martyrs’ Square, the only square of political negotiation in the city. There is a strong political element to this event: an Iran-backed party protested pro-Western governments located in Beirut and a specific government that accused it of assassinating former Prime Minister Rafiq Al-Hariri. It would, however, it would be remiss to look solely at Hezbollah from the political lens. First, Hezbollah is a party that relies on its social platform. It has entered the everyday life of its followers, especially in socioeconomic considerations. Second, the party has created another form of city life for its followers in their suburban Dahyeh enclave, a Biarti space. They became isolated in this area when Urbanistas “othered” them and rejected them from living in their parts of Beirut. Third, Hezbollah’s target of protests Prime Minister Fouad El Sanioura was part of the affluent Sunni elite and a close companion of Rafiq Al-Hariri. El Sanioura could easily be labeled as an Urbanista. Fourth, the behavior of Hezbollah’s followers in this area of Beirut was a way of expressing a critique of the Urbanistas power structures and their plan of living Beirut. The event was a form of Biarti resistance in which a temporary and tactical plan was made to create a Biarti platform from the heart of Urbanista Beirut.

The average Urbanista imagines and lives this place as a global platform. They eat at Couqley, shop behind the Blue-domed mosque at the upscale Nancy store, and take a walk along the square, possibly ending up at one of the rooftop bars in the premises. With the arrival of Hezbollah and its followers into the area typical Urbanista social life was put on hold for almost a year and a half.

Hezbollah followers barricaded the area and set up tents, transforming the global Downtown into a localized lived space. There were even portable latrines to facilitate longevity of the protest. The Downtown turned from a place of the affluent for leisure into a temporary home for the Hezbollah-type Biarti. The Hezbollah members then began to disrupt the ordered sense of calm in these spaces by making it cluttered and carnival-like with screams, music, and chants. Later, new rituals that defined the space, albeit temporarily, were introduced. The usual rituals in the Downtown were global, capitalist ones of consumption and display, conforming to a life of spectacle. Hezbollah and its followers performed localized rituals such as prayers on the pavement and provided food trucks with vendors supplying sandwiches and drinks. Suddenly the area went from a normative of dining out at Le Grey to a normative of eating food from a truck and returning to a tent. Increasingly, the followers engaged in activities that usually would not be tolerated on the premises, such as lounging on the sidewalk under the sun, smoking a water-pipe, and playing tunes.

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viii In his book, The City and the Grassroots, Spanish Sociologist Emanuel Castell claims that one of the most important struggles in cities is that over urban meaning. Urban meaning is the economic, religious and social culture that a group identifies or pegs to a certain city.
on the Derbakeh (an Arab equivalent of a drum set).

Hezbollah engaged in an active tactical resistance against the Urbanistas in the Downtown. Particularly, the party brought their own form of public life, a disordered one, to this space. In its essence, the Downtown is a public space; however, its privatization by the Solidere and its reconstruction made it an Urbanista space. Hezbollah seized this opportunity as a chance to recreate their vision of a form of Biarti life in this space. Hezbollah was aided by the fact that it is a heavily armed-party that could put up violent resistance if they deemed it necessary. Nevertheless, the party engaged in a form of social resistance that focused on creating the local in the heart of the globalized urban life.

PART 5: CONCLUSIONS AND SOURCES

CHAPTER 8: CONCLUSIONS

The aim of this research was not to provide an exhaustive historical study of the city of Beirut. This research is a study of Beirut at a moment in time, approaching it from a synchronically oriented standpoint. In essence, this project has been spatially analytical, focusing on the imagining of space, the creation of space, and the lived experience of space in the city. I set out to provide a general model for space in the city through using Beirut as a case study. I will provide the major points that have arisen from this research and the implications and questions that arise from my spatial model of studying cities in this concluding section.

The Biarti & Urbanista Model for Studying Space

The most important contribution of this research is the Biarti and Urbanista model for studying and conceiving space in the city. In a globalized world, we assume that the citizens of certain cities share the same traits and are part of the global culture of fashioned identities. This research and model show that cities such as Beirut exhibit dichotomous groups that inhabit the cities in different ways.

The Urbanista model provides an explanation of the group that imagines its city to be part of the global order, reconceiving and representing space in the process. This group seeks to be part of the global order and drives the notion of world cities. This allows us to think of a chain of global cities that are connected through the usual label of “Geneva, London, Dubai, and New York” as a chain of Urbanistas. Instead of assuming every city is globalized in its totality, this model allows us to observe the Urbanista regions of the city become globalized.

The study of the rebelling Urbanistas also demonstrates that no social class is uniform or made essential. The rebelling Urbanistas diverted from their upper class origin and critiqued the media image of Beirut by labeling it as inauthentic. This group demonstrates that spatial issues in cities are contentious; simply having financial capital does not necessarily signify that a certain group is satisfied with the design and representation of the city. The rebelling Urbanistas have the money to experience Beirut in an international and global way. However, they choose to define Beirut in a more culturally authentic manner.

The Biarti model allows us to analyze a group that contrastingly looks inward and lives the city more locally. This group lives in Beirut in a unique way by distancing itself from the global capitalist pattern that has become sine qua non of the world city. It adds a local element to the city, complicating its fabric. From this group social rights movements can arise, as they do not share the privileges and the influx of capital that comes with the globalization of space. As such, the Biarti groups in cities are preoccupied with living and thinking of what living entails. This means criticizing the city and expressing worries about being pushed out from the city center through gentrification, reflecting on the prospects of their group in the city.

Cities of Hegemony; Cities of Counter-Hegemony

This model of studying cities allows us to reassess power dynamics and the notion of hegemony in the city. We tend to assume that hegemony lies with the upper class or the Urbanistas because their command of money and restructuring of space allows total control. This research differs by showing that hegemony in the city is fluid and manifests in different ways.

In the case of the Urbanistas, hegemony comes with control of representation of the city, painting it in a worldly narrative that allows for global consumption. Spatially, their hegemony extends to their ability to command and restructure certain enclaves of the city to make them a reflection of their image. Spaces of the city that exhibit international boutiques, exclusive restaurants, designer pictorials, and advertisements are Urbanista places that come about after deliberate effort.

The Biartis accord a form of counter-hegemony through their lived experience. The locally lived experience becomes a way to debunk the Urbanista im-
age of the city and provide an alternative narrative. Through their non-globalist habits and appreciation of simple city pleasures, the Biartis provide a strong counter-hegemonic bloc. Their lived experience allows them to have greater social mobility. They do not live the city in narrow spaces that are solely a reflection of the Urbanista image. At times, this counter-hegemony extended to the Urbanista spaces, in which the Biartis enter and practice their own lifestyle, creating heterotopic spaces of difference in these enclaves.

The Dichotomies of Space

Through using the Urbanista and the Biarti model of imagining and living space in the city, we come to a closer understanding of the dichotomies of space. It is striking that Beirut, a city with a population that shares the same history, language, and national background, has groups living different narratives of the city.

Beirut ultimately exists in a duality. This is not to say that the two groups do not interact or meet, but rather that their meetings range from pacification to resistance. This research complicates the study of the city by presenting the various decentralized and fragmented models of space through its inhabitants. To the rich Urbanista Alexandra, the city meant boulevards and international restaurants. To graffiti artist Yazen Halawani, the city was a canvas on which to paint thoughts. To Lara, the Biarti, the city was a space of everyday adventures or a hunt for the cheapest goods. What we assume is the city as a static object is an amalgamation of spaces that are differently conceived, reshaped, and lived.

How does the middle class fit in this model? The Urbanistas and the Biartis were studied because they produced the most dichotomous spaces. This was not meant to set the city and its spaces in a binary. Rather, this research investigated the reasons behind spatial differences in Beirut and the dichotomy between imagined and lived spaces of the city. Additionally, the middle class has been historically migrating out of Beirut and Lebanon as a whole and studying them would have extended the diaspora, which was not the focus of this research.

Through this model, power was restructured, repositioned, and reanalyzed from the perspective of the various groups. This calls to question the sustainability of Beirut’s spatial practices. With the growing number of Biartis and a decreasing number of Urbanistas, this spatial segregation in Beirut cannot continue indefinitely. The city lacks public spaces of interaction where these groups can meet and converge. At least in the immediate future, the high prices and mannerisms of Urbanista places prohibit many of the Biartis from entering. This cannot be sustained for long. Instead of anticipating a violent Biarti rebellion or attempts to “take back” the city, the municipality of Beirut should invest more in catering spaces to the entire population of Beirut, the municipality is allowing more companies to appropriate public spaces, turning them to mega-rises and resorts as opposed to investing in the entire population. The most recent example of this was the selling of the last public beach in Beirut, the Dalyeh. This act sparked outrage and protests, thereby indicating that the city is not safe from socially formed violence. Bilal Hamed, the current president of the municipality, commented in an interview that the budget totals to around 1 billion dollars. With that in mind, funds must exist to encourage public spaces of interaction and more communal social life in Beirut. This spatial segregation of Beirut is not healthy for a city that is always in threat of violence, as the potential threat can easily develop into full conflict based on social class.

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LIVING AND IMAGINING CITY SPACES: THE CASE OF BEIRUT

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ABSTRACT
Rural sub-Saharan Africa suffers from a lack of transportation infrastructure, hindering rural access for populations in remote areas to social and economic opportunities available in urban areas. Scholars have studied this issue for decades, focusing on the monetary and social imbalances caused by this isolation. I will analyze a motorbike taxi service called Boda Boda, a means of transportation widely used in East Africa and the factors affecting its use. Binary probability regressions reveal counterintuitive behavior, such as a high sensitivity to distances only for accessing non-productive activities such as health infrastructure. Poisson regressions show that the likelihood of undertaking multiple trips in Boda Boda is high only in the presence of an agricultural surplus. A qualitative analysis based on four surveys shows that Boda Boda is largely used to foster social relations and confirms that it is rarely used as a method to access health or education facilities. I postulate that Boda Boda has a positive impact on the freedom and development of remote populations. The research for this paper took place in two villages in southern Uganda from December 2013 to January 2014.

INTRODUCTION
Academic literature shows that the physical, economic, and cultural integration of rural areas in sub-Saharan Africa with urban economic and social structures is a crucial step towards development. Although some would interpret this as building roads from urbanized regions to rural spaces, scholars have shown that constructing roads is not the fundamental determinant of social and socio-economic development among rural populations. Transport services offered by the private motor taxi system Boda Boda represent a partial solution to the problem of rural isolation. This paper evaluates Boda Boda’s social and economic impact on the rural population in southwestern Uganda. The Kabale District, located in southern region of the country, is of particular interest because of its geographic features: abundant mountains and valleys with an absence of paved roads. The research for this paper was carried out in two villages: Nangara and Kigarama that are four and eight kilometers from the District capital respectively.

Existing literature neither discusses nor empirically evaluates the usefulness of these taxi services. This study provides a quantitative and qualitative analysis of the Boda Boda’s impact on the welfare of remote rural populations. With a binary probability linear model, I show that individuals in Kigarama are distance sensitive with regards to the use of Boda Boda to access health facilities. I also show that subjects in Kigarama without agricultural surplus are not sensitive to the market distance. Additionally, I demonstrate that the presence of an agricultural surplus increases the likelihood of using the Boda Boda system. Compared to individuals in the village of Nangara, the data show that individuals in the village of Kigarama are not distance-sensitive with regard to the use of Boda Boda to access health facilities. The data also show that individuals in both villages are price sensitive with regard to Boda Boda costs.

I then use a Poisson regression to analyze the factors that affect the probability of taking multiple trips with Boda Boda taxis. The results confirm those of previous regressions, and show that education level is a factor in the use of Boda Boda for the village of Kigarama. Every additional year of schooling has a strong impact on the likelihood of undertaking multi-
ple Boda Boda trips per month. A qualitative analysis shows that villagers perceive the Boda Boda service to greatly enhance personal welfare. Survey data demonstrate that the population mainly uses the motorbike taxi service to maintain or create social interactions. Additionally, they do not use the service to access quality schools. These findings necessitate a reconsideration of the meaning of welfare in rural sub-Saharan Africa, as it may be different from the Western notion of welfare. My research suggests that different priorities shape the concept of welfare in rural southwestern Uganda as compared to urban communities. A survey I performed suggests that the populations in both villages perceive the Boda Boda transportation system as a valuable tool for increasing their welfare level.

In the first chapter, I present both a review of the academic literature about rural isolation, as well as an analysis on the concept of welfare. The paper continues with analyses of the economic, geographic, and road infrastructure of the southwestern Kabale District. After a brief review of the Boda Boda history phenomenon and a description of the research method, the fifth chapter reports on the research results.

CHAPTER 1 LITERATURE REVIEW

Chapter 1.1 Isolation Literature

Various scholars have analyzed the impact of isolation on the welfare of rural communities within developing countries. This chapter will analyze the strengths and flaws of the main academic ideas on the topic. I compare the development of remote communities with that of urban areas. The academic literature generally undertakes two different approaches: one, measures the economic differences between the two areas, and the second approach focuses on more qualitative aspects, such as the relationship between isolation and welfare for rural populations.

The main goal of the first method is to measure the economic inequalities between the isolated and integrated areas. It also seeks to investigate the cost-benefit ratio of potential infrastructure investments aimed at integrating remote populations into the national economic network. Chamberlain and Stiefel suggest that remoteness, defined as travel time during the dry season from the commune center to the nearest urban center, negatively affects agricultural productivity and incomes at the household level. Through their econometric analysis, Chamberlain and Stiefel show that the lack of road infrastructure negatively impacts agricultural output and productivity. The researchers point out that the insufficient number of roads is particularly serious in developing countries where the agricultural sector accounts for a large share of gross domestic product (GDP), and where poverty is mainly concentrated in rural areas. Fan and Hazell, using time-series data from India and the People’s Republic of China, demonstrate how government spending has a positive impact on agricultural output in remote areas and generates a subsequent temporary increase in income. Warr also illustrated that road improvements generated a 9.5 percent increase in rural food consumption in Laos between 1998 and 2003. Similar evidence was found in Ethiopia, Tanzania, Zambia, and Mali.

An analysis of academic literature suggests that, “…the prevailing notion [of these authors] is that as household distance from roads increases (on roads which eventually lead to markets), the income/consumption expenditure of household decreases.” However, many authors acknowledge that investment focused solely on the growth of agricultural productivity and the increase of rural consumption does not necessarily reduce rural poverty. Delininger, Okidi, and Fan show that despite government efforts, poverty in rural, and mostly remote, regions remains at high level. Moreover, other authors argue that the costs of significant investments in rural roads outweigh the benefits for developing countries. The analysis of the impact of living in remote rural areas on personal welfare cannot be limited to an economic study of agricultural productivity and short-term consumption increases. It must also consider other variables, such as social relations and freedom of choice.

The second academic approach to the problem of isolation of rural communities in developing countries arises from a critique of the economic method to understand the issue. This approach suggests that isolation not only hinders accessing markets, but also impedes the rural population from accessing freedoms that stem from interaction with a broader network of opportunities. Indian economist Amartya Sen is a leading scholar of this school of economic thought. Sen critiques the idea that the development of rural areas should solely include the distribution of services to the populations and, possibly, safety nets for the very poor. In Development as Freedom, Sen suggests that the development of remote areas is a “…process of expanding the real freedoms that people enjoy.”
The novelty of his thought is that development cannot be identified and measured simply with per capita production growth or increase of consumption. He argues that, “...capability deprivation is more [serious] than lowness of income since income is only instrumentally important [...] and its value [...] depends on social circumstances.” Furthermore, his argument contends that real development is the result of the interdependent bundle of political, economic, and social freedoms that guarantee self-determination.

The works of scholars like Raballand, Macchi, and Merotto suggest, in accordance with Sen, that human development is the result of the social structure, individual capabilities, opportunities, and social policies shared by the local population. Sen recommends that we analyze poverty, quality of life, and social inequalities not only through the traditional economic indicators such as income or consumption expenditure but also by analyzing the possible disparate views on life experiences. According to Sen, the key to development is not just the ability to feed oneself and one's family, but to have access to health care, education, and adequate shelter. It is the opportunity to participate in local social life and politics, which will then affect the territory.

Chapter 1.2 Need for interaction

Since the mid-1970s, scholars such as Michael Lipton have identified rural isolation and distance from urban centers as the greatest obstacle to the growth of developing countries. The lack of connection between remote and urban populations is an impediment to the improvement of the social opportunities of rural inhabitants. For Sen, development must be understood as a process of increasing self-determination in both the private and socio-political spheres. Moreover, social exclusion in these remote areas, understood as non-participation in a nation's political and economic processes, also implies an irreparable loss of human capital.

One way to facilitate the development of personal well-being within these communities is to increase interaction with other local communities. An example of these activities comes from rural villages in southern Uganda where the forms of human mobility, almost paralyzed by a lack of infrastructure, are critical to the improvement of quality of life. These activities are a representation of livelihood, which has been defined as “the assets (natural, physical, human, financial, and social capital), the activities, and the access to these (mediated by institutions and social relations) that determine together the living gained by the individual or household.”

Many forms of mobility used by rural populations are an integral part of their life system. These forms of mobility lead to two different outcomes: social integration and economic interaction.

Mobility improves the possibilities of social connections among neighboring villages through which family and community ties are established, reaffirmed, and consolidated.

The second outcome relates to the interaction between rural and urban economies. The contact between two different local economies allows people gain greater financial security. In fact, for many families, the system of rural-urban mobility and the commercialization of intermediate agricultural products and handicrafts are a form of subsistence. It is the creation of capital that supports a strategy for the management of the risk of poverty of these families. Lovisolo extensively developed this concept, arguing that a key element for a regional development might be the “commercializzazione intermedia dei prodotti agricoli...come attivita' secondaria per integrare il reddito familiare.” In the mid-2000s, scholars already considered activities cited by Lovisolo as crucial in limiting the vulnerability risk in rural areas, and showed that the commercialization of agricultural products within the rural urban network could be considered a poverty risk-coping strategy.

Chapter 1.3 Welfare

The notion of welfare has evolved during the last two centuries from a strictly economic idea to a more anthropological concept. It represents an extension of the notion of wealth, the first goal of classical economics, emphasizing that the ultimate effect of capital is, or should be, to increase the wellbeing of the individual. This prevailing definition arose in close correlation with the development of the modern economy. In the last century, however, the evolution of this concept has brought welfare to, “…diventare funzione fondamentale dell'espressione istituzionale della societa', ossia lo Stato.” The concept of European welfare is thus based on the principle that the State should protect...
the dignity of men, women, and the community as a whole. Because of the social, economic, and political history of most of the African continent, however, it is not possible to apply the Western concept of welfare. Because of their colonial pasts and the extractive institutions established by European colonizers, most African countries are not currently experiencing the political conditions that are instrumental of guaranteeing access to welfare for all of their citizens. Poor institutions and a general lack of economic means make a reasonable argument that the assumptions stated by Borgonovi are not applicable to many African countries. In Western (and particularly European) countries, welfare is a fundamental function of the State. In Africa, this function cannot be implemented. A different model of welfare for remote African rural communities should therefore be considered: one that emphasizes the principle of freedom for every individual, and that values the activities promoted by the individuals through their relational networks.

CHAPTER 2 GEOGRAPHY AND ECONOMY

Chapter 2.1 Kabale geography economy

The topography of the Kabale district, located in southwestern Uganda, plays a significant role in determining the type of agricultural produce of the region and the method by which the population brings it to the market. The Kabale district has an average altitude of 6,000 feet and peaks at 8,360 feet in the Bafundu Hills. It is also characterized by the presence of many lakes, and only allows for scattered human settlements dispersed along the valleys and the highlands which account for 88% of the total district population. The exception is the district capital, Kabale, which has a population of about 50,000 people. The district's rugged terrain and poor road infrastructure dictate the population's means of transportation.

In addition, the climate of the Kabale District determines the crops produced by the region. The Kabale District is located in Southwest Uganda and has a temperate foggy climate, which is typical of an equatorial region at significant heights. Its peak rain season falls between April and November. This climate permits two sowings and two harvests per year without the need for irrigation by farmers. This area mainly cultivates and consumes Irish potatoes, sorghum, maize, sweet potatoes and other crops that thrive well in high altitudes and relatively cold weather.

Chapter 2.2 Welfare in Kabale District

The health and educational infrastructure of a medium-sized urban center such as Kabale has proven insufficient to guarantee the district population's access to the services necessary to increase their level of welfare to the minimum standards set by the Millennium Development Goals. One determining factor for this trend is that 88 percent of the population lives in villages structured around individual, isolated homes in the highlands. The Ugandan Government officially guarantees all people living in rural areas access to education and health infrastructure. However, the quality of these services is generally low, and local governments do not offer transportation to the geographically dispersed population. These impediments to accessing services in rural areas have contributed to a literacy gap of about 20 percent exists between the country's rural and urban populations. A further indication of the problems generated by poor road infrastructure is represented by the child mortality rate, which is more than double in the southwestern rural areas as compared to the urban areas. These data highlight the difficulties in pursuing the objectives of Millennium Development Goals in rural areas. The Ugandan Government indeed reports that the second objective, achieving universal primary education, will not be accomplished by 2015. Objective 5, improving maternal health, lags behind schedule; while objective 6, reducing the incidence of HIV, malaria, and other diseases, is experiencing mixed results.

These data, along with official Ugandan statistics, affirm the need for a different local administrative policy in rural areas to allow equal and effective access to public services across the country.

CHAPTER 3 TRANSPORTATION

Chapter 3.1 Transportation Network in South West Uganda

Given the country's poor transportation infrastructure and mountainous terrain, satisfying the rural population's demand for greater mobility remains a challenge. This population has higher levels of poverty, implying an even greater need for transportation infrastructure than in its urban counterpart.

The lack of infrastructure forces the majority of the rural population to utilize transportation particularly suited to the geographic features of the area.

iv The Uganda Demographic and Health Survey of 2011 reports that in the South West rural region, child mortality rate is 57 deaths per 1000 live births as compared to 25 deaths per 1000 live births in urban areas.
As previously mentioned, the transportation system in the area suffers, as in many other Sub-Saharan regions, from the “missing middle,” a mobility instrument suitable to the geographic and socioeconomic features of the area. Empirical observations show that in the southwest rural areas of Uganda, the movement of people, “...goes from walking...to truck and bus in one technological leap.” Because of extremely high fuel costs (a liter of fuel costs 3,780 Ugandan Shillings, which is equal to $4.85 per gallon), cars are not feasible for the population. Trucks and buses, although more affordable, cannot reach every community.

In this context, Boda Boda, a system of private bikes and motorbike taxis, has emerged as the most used transportation method in the villages of the highlands. The two-wheel vehicles help the population overcome the lack of sufficient public transportation infrastructure by providing them a relatively affordable transportation system.

Chapter 3.2 History of the Boda Boda Taxi Service

At the beginning of the 1960s, Ugandan smugglers needed a cheap, reliable, and quiet way to move materials between Uganda and Kenya. Cars and motorbikes were too expensive and too noisy. As a result, bicycles became the transportation of choice, which, with a small luggage rack behind the seat, evaded the border police while transporting valuable goods. The idea had an unexpected development. The bikes were so strong that they were also suitable for transporting people. The profits attained from this practice were lower than those derived from smuggling, but the business was legal. This development gave rise to the Boda Boda taxi system, which quickly spread from the border between Uganda and Kenya where it was invented, into East Africa. Today, it is a common means of transportation, especially in rural areas of Southeast Asia and Central Africa.

The motorcycle Boda Boda, better suited for long-distance travel and climbing hills than the bicycle, first appeared on the Ugandan market in 1992 and experienced rapid growth in use due to the government easing restrictions on used vehicle imports. The reduction in the cost of imported used motorcycles relative to cars made them particularly attractive.

The Boda Boda motorcycle taxi system has become a reliable, rapid, and relatively inexpensive service that can traverse dirt roads too rugged for a car, while going longer distances and into steeper terrain than bicycles. Boda Bodas are used by students and teachers to get to school, by workers and employees to get to work, and to facilitate travel to markets and health facilities in villages. Working as a motorcycle taxi driver, however, is not easy work and is currently only done by young men. Every day, drivers travel approximately fifty kilometers, which combined with accidents and inhaled dust while driving, can lead to over-exhaustion and other health complications. Even the local press recognizes the job as particularly dangerous. According to police reports, between 2008 and 2012 the injuries among drivers increased from 1,795 to 3,043. Despite the hazards of the job, the accessibility and practicality of Boda Boda services have made it popular among the population. The growth of Boda Boda demand has led to the creation of a drivers’ association that provides services to the Boda Boda drivers.

Chapter 3.3 Boda Boda Organization and regulation

It is not difficult to become a Boda Boda motorcycle operator. One must only own or rent a bike and pay an annual fee to the local Boda Boda association. The cost for a used motorcycle is about three million Ugandan shillings (about $1,200). The drivers are required to belong to Boda Boda associations, which are administrative tools created by the Ugandan Government to regulate the industry. The annual membership fee ranges from $6 to $10, and is comprised of the municipal operating license (plate) and the actual association membership subscription. The associations act as insurance agents and legally represent the drivers in cases of accidents.

CHAPTER 4 RESEARCH METHOD

Chapter 4.1 Questionnaire, method, research goals

This study aims to provide relevant insights into how the transport service offered by Boda Boda can better integrate the rural villages' economies and the southern Ugandan economic network, thus promoting the improvement of the rural citizens' welfare. The analysis of the socioeconomic realities of the area, and the evaluation of the research objectives, rely on the collection of data from two sources that are detailed below.

The first source is a baseline long-form questionnaire administered to 148 citizens of the village of Kigarama. A second source is a baseline long-form questionnaire was administered to 120 citizens of the
village of Nangara. The questionnaire interviews for the village citizens lasted thirty to forty minutes each. The data collected from the baseline long-form questionnaire for the rural citizens of Kigarama and Nangara contain details regarding the citizens’ approach to the transportation problem, as well as a description of the households’ economic situations. The questionnaire also includes questions about the citizens’ agricultural production choices, including location and transportation decisions.

The questionnaires were designed to take into account the anthropological aspect of the Boda Boda transport services. The research investigates the phenomenon in its natural and sociological environment, exploring its meaning for the rural population. Particular attention is paid to gender disparity, the religious and ethnic differences in the region, and the perceptions of criminality, which might affect access to the service.

For each of the two selected villages, my target sample population consisted of 150 individuals. The participants in the survey were the heads of households, holding decision-making power over transportation services and household expenditures. In southern Ugandan villages, many households included single mothers, helping to eliminate any gender-related bias that could occur otherwise. All participants in the survey were eighteen years and older, the legal age of adulthood in Uganda. Also, Boda Boda users below this age are mostly passive utilizers, not actively involved in the choice of the transport service. The selection of interviewers from the sample population began with a meeting with the village chief to get a list of its inhabitants. The formal authorization for the directory of the citizens of the village was obtained on site after the village chief signed a permission form. The list was alphabetized, and subsequently using a random number generator, I extracted the names to be interviewed. The interview completion rate of the survey was 98 percent (147 out of 150) in Kigarama and 80 percent (120 out of 150) in Nangara.


CHAPTER 5 RESULTS
Chapter 5.1 Demo Figure

Before beginning a quantitative analysis of the data, it is important to give a brief description of the two villages’ location and demography. Kigarama is located in the southern side of the Kabale district, and lies six kilometers away from paved road. It is a remote settlement with a mature population and relatively high education level. Nangara, on the other hand, is

**Figure 1: Kigarama education level**

**Figure 2: Kigarama age distribution**

**Figure 3: Nangara education level**
located in northern Kabale District, about two kilometers from the closest paved road. It has a younger population compared to Kigarama. Figures 1 to 4 show the most important demographic characteristics of these two villages.

The two communities display a similar mean educational level. However, it is important to note that Figure 1 shows a higher rate of secondary school completion in Kigarama. This detail will be of particular interest later in my analysis. Additionally, the age distribution between the two communities does not show striking differences, though Kigarama’s older adult age population is slightly larger, as shown in Figure 5.

From a monetary point of view both villages are considered below the poverty line by international standards. Although Kigarama’s population has

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The average age for Kigarama is 37.9 while for Nangara is 30.2.

The International Standard Poverty Line published by the World Bank defines any household who survives with less than $1.25 PPP per day as “poor”.

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Figure 4: Nangara age distribution

Figure 5: Population Pyramid

Figure 6: Distances to clinic in Kigarama

Figure 7: Distances to Clinic in Nangara

Figure 8: Distances to Market in Kigarama
closest functioning clinic and the central market. Figures 10 to 13 show the Boda Boda transportation costs to reach those facilities. The data illustrate a positive correlation between costs and distances between the villages and destinations. Kigarama’s more remote location increases the costs of transportation to both the market and the clinic. Figures 14 and 15 summarize the data comparing the same as-

**Figure 6: Distances to clinic in Kigarama**

![Figure 6: Distances to clinic in Kigarama](image)

**Figure 7: Distances to Clinic in Nangara**

![Figure 7: Distances to Clinic in Nangara](image)

**Figure 8: Distances to Market in Kigarama**

![Figure 8: Distances to Market in Kigarama](image)

**Figure 9: Distances to Market in Nangara**

![Figure 9: Distances to Market in Nangara](image)

**Figure 10: Cost of Boda Boda to market in Kigarama**

![Figure 10: Cost of Boda Boda to market in Kigarama](image)

**Figure 11: Cost of Boda Boda to market in Nangara**

![Figure 11: Cost of Boda Boda to market in Nangara](image)
Figure 12: Cost of Boda Boda to clinic in Kigarama

Figure 13: Cost of Boda Boda to clinic in Nangara

Figure 14: Monetary Comparison between Kigarama and Nangara

Figure 15: Distance Comparison between Kigarama and Nangara
pects of the two villages, giving a sense of the differences between the two areas. All of the data in the figures were drawn from interviews performed during the fieldwork.

CHAPTER 5.2 LINEAR BINARY CHOICE PROBABILITY MODEL

This section develops an econometric model that includes the measures presented above. My aim will be to explore the influence of those factors on the use of the Boda Boda motor taxi system for our observed populations. Several scholars, including Sen (1999) and Raballand (2009), have argued that welfare can be measured by finding the proportion of the population with access to basic services.26,27 Hu et al suggest that the easiest method to calculate welfare is to include the level of access to markets and health services in an econometric model.28 The model I propose follows the latter approach. It considers the distance of the market and the closest clinic from every single household, and the costs incurred to reach those areas. Following Hu et al.’s study, I will consider those four measures as reliable proxies for personal welfare. It is essential to note that I measured the distances in hours on foot, rather than kilometers. I found that this method more accurately reflected the influence of the Kabale district’s rugged geography on transport time across similar distances. Since the first model measures individual propensity to use the Boda Boda transportation system, it is suitable to use this subjective measure of distance to describe the transport experience of individuals to his or her closest market and clinic.

I also imputed a potential price for those individuals who declared to have never used the Boda Boda system. I created a model to assign a price that each individual would pay for this service. To do this, I analyzed the distances from each of these households to the clinic and the market, and I compared the Boda Boda prices paid by households located at similar distances. I then computed the average prices for each specific distance to the households that do not use Boda Boda.

The econometric model I utilized is a linear binary choice probability model. This model implies that the probability of the event \( \alpha \) occurring is a linear function of a set of explanatory variables:

\[
\alpha_i = \alpha(Y_i = 1) = \beta_1 + \beta_2 X_{2i} + \beta_3 X_{3i}
\]

In my analysis of the data, I was able to exclude the presence of heteroskedasticity proportional to the model’s regressors. However, I could not exclude the possibility that other types of heteroskedasticity af-

| Table 1: Factors Affecting Demand for Boda Boda in Kigarama |
|-----------------------------------|----------|----------|----------|----------|
|                                   | (1)      | (2)      | (3)      | (4)      |
| Distance from market              | 0.0665*  | 0.0557*  | 0.0694** | 0.0792** |
|                                  | (0.0260) | (0.0256) | (0.0246) | (0.0237) |
| Cost Boda Boda to market         | -0.0724**| -0.0266**| -0.0272**| -0.0267**|
|                                  | (0.00479)| (0.00415)| (0.00363)| (0.00305)|
| Distance from clinic             | -0.137** | -0.138** | -0.138** | -0.137** |
|                                  | (0.00949)| (0.00808)| (0.00769)| (0.00784)|
| Cost Boda Boda to clinic         | -0.137** | -0.138** | -0.138** | -0.137** |
|                                  | (0.01157)| (0.01155)| (0.01159)| (0.01155)|
| Agricultural Surplus             | -0.0699**| 0.175    | 0.157    | 0.157    |
|                                  | (0.0249) | (0.105)  | (0.0920) | (0.0920) |
| Agr. Surplus x Dist. Market      | -0.0589  | -0.0504  | -0.0464  | -0.0464  |
|                                  | (0.0543) | (0.0464) | (0.0464) | (0.0464) |
| Education                        |          |          |          |          |
|                                  |          |          |          |          |
| Constant                         | 0.0654   | 0.0244   | -0.0315  | -0.0551  |
|                                  | (0.0637) | (0.0507) | (0.0436) | (0.0422) |
| p-value for Distance from market |          |          |          |          |
|                                  |          |          |          |          |
| Observed                         | 147      | 147      | 147      | 147      |
| R-squared                        | 0.739    | 0.874    | 0.880    | 0.882    | 0.891    |

Note: * p<.1, ** p<.05, *** p<.01
fected the data. Thus, I assumed that the model’s heteroskedasticity was a general association between the variance of the disturbance term and the regressor. Consequently, I chose to run the following robust regression with correction for White’s heteroskedasticity:

\[ Y_i = \alpha + \beta_2 X_{2i} + \beta_3 X_{3i} + \beta_4 X_{4i} + u_i + \Theta \]

where X is a vector of controls x = (X_1, X_2), and Y_i is the dummy variable “Use of Boda Boda.” I ran several regressions adding controls to measure the causal effect of exogenous factors changes in the endogenous variables in the model. These controls are education, age, agricultural surplus, and an interactive variable between agricultural surplus and distance to the market. The results of these regressions are shown in Table 1 and 2.

Table 1 shows the results for the village of Kigarama. The first two columns show the result of the regressions using the welfare explanatory variables. The first column shows the market variables’ impact on the Boda Boda utilization propensity. An increase in distance from the market by one hour, controlling for the price paid to reach it, increases the willingness to use the transportation system by 6.65 percent. On the other hand, an increase of the Boda Boda cost by 1000 Ugandan Shillings, controlling for the distance to the market, decreases the propensity to use this service by 7.24 percent. The second column adds the clinic’s explanatory factors. Controlling for all other factors, an increase in distance from the nearest clinic produces a decline of 3.21 percent in the propensity of Boda Boda use. Similarly, an increase in cost has an important negative effect of 13.7 percent on the willingness to use this taxi service. All these results are statistically significant. As such, they provide a true glimpse of the contrasting realities between rural and urban settlements.

In columns 3, 4 and 5, I added controls for a dummy variable related to the household production of agricultural surplus, education level, and the interactive variable between agricultural surplus and distance to the market. Column 3 shows a remarkably high coefficient for the agricultural surplus dummy. Controlling for all other factors, the dummy variable increases the willingness to use Boda Boda by 6.99 percent compared to individuals without agricultural surplus. This value is of particular importance. It demonstrates that an individual with agricultural surplus will have a much higher willingness to use the Boda Boda service than individuals without the option to sell their produce, regardless of their distance from any facility. The expected agricultural income induces individuals, who perceive themselves as richer, to take

| Table 2: Factors Affecting Demand for Boda Boda in Nangara |
|----------------|----------------|----------------|----------------|----------------|
|                | (1)            | (2)            | (3)            | (4)            |
| Distance from market | 0.00187 (0.00149) | 0.00209** (0.000324) | 0.00219** (0.000334) | 0.00154** (0.000308) | 0.00152** (0.000327) |
| Cost Boda Boda to market | -0.0902** (0.0108) | -0.0798** (0.00555) | -0.0817** (0.00536) | -0.0898** (0.00497) | -0.0897** (0.00479) |
| Distance from clinic | -0.100** (0.0220) | 0.102** (0.0222) | 0.0656** (0.0156) | 0.0657** (0.0158) |
| Cost Boda Boda to clinic | -0.0483** (0.00605) | -0.0465** (0.00638) | -0.0242** (0.00737) | -0.0243** (0.00753) |
| Agricultural Surplus | -0.223 (0.0188) | -0.241** (0.0381) | -0.240** (0.0410) |
| Agr. Surplus x Dist. Market | 0.309** (0.0474) | 0.308** (0.0486) |
| Education | --- | --- | 0.100 (0.0607) |
| Constant | 0.257** (0.0896) | 0.0703 (0.0475) | 0.0574 (0.0466) | 0.104* (0.0465) | 0.100 (0.0607) |
| p-value for Distance from the market=Agricultural surplus x Distance from market | --- | --- | --- | --- | 0.0001** |
| Observations | 120 | 120 | 120 | 120 | 120 |
| R-squared | 0.723 | 0.867 | 0.868 | 0.901 | 0.901 |

Note: * p<.1, ** p<.05, ***p<.01
advantage of the transportation service. In column 4, I added the interaction term “Agricultural surplus x Distance to the market.” The negative coefficient, which must be added to the coefficient for distance to the market, shows that individuals with agricultural surplus are less sensitive to distance compared to the other Kigarama farmers' population. If we assume that a low quantity of produce surplus in a household implies a similarly low agricultural production, it follows that these individuals will be in greater need of a market that supplements their nutritional needs. In the same column, the coefficient for the individuals with agricultural surplus, regardless of distance to the market, appears extremely high. This finding is a confirmation that a self-perceived higher income will persuade farmers to use Boda Boda more often.

I ran a nested F-test to assess if the coefficients of variables “Distance to Market” and “Distance to market x Agricultural surplus” are significantly different. The result gave a p-value of 0.0141. This p-value suggests that at a 95 percent confident level, these variables are not equal. The data thus suggest that individuals with surplus are more likely to use Boda Boda as their households’ distances from the market increase. In column 5, I added the variable “Education Level,” which is statistically significant. Its coefficient value reveals that every year of schooling increases the use of Boda Boda by 1.39 percent. At first, this propensity may seem statistically insignificant. Nevertheless, in an area where many children do not attend school, the completion of secondary school raises the probability of using Boda Boda by 16.68 percent relative to a person who did not attend school.

The inclusion of an education variable in my analysis produces important changes in the values of other explanatory factors. The coefficient that accounts for distance to the market increases by almost one percentage point. This change suggests that individuals with higher levels of education are more willing to reach a market. This might be due to the realization that a market is not only a place for exchanging goods, but also a central social hub. Living in a remote area might be experienced as a constraint, and the Boda Boda service is seen as a tool to expand the personal network of socialization. In addition, because education, in rural areas, is related to disposable income, the significance of the coefficient can also be considered as a proxy for ability and willingness to pay.

On the contrary, the coefficient for clinic distance decreases by 0.78 percent. In the survey performed during this study, 72.58 percent of Kigarama citizens declared that they would use the Boda Boda service to transport a sick child or adult to a clinic if they had the ability to pay the fee. The survey reveals the importance of economic constraints in decision-making. Despite their intentions to access health services in times of need, Kigarama citizens acknowledge that their economic circumstances may force them to forego vital priorities such as health care. Sick family members are expected to work in the family gardens. The hours spent going to a clinic are viewed as valuable time diverted from productive activities. Health is regarded as important, but less important than a household's food as agriculture provides the goods necessary for subsistence.

The first two columns exhibit the result of the regressions using the welfare explanatory variables. An increase in distance by one hour from the market increases the willingness to use the transportation system by 0.01 percent, but this result is not statistically significant. Instead, the increase of its cost by 1000 Ugandan Shillings decreases the willingness of use by 9.02 percent controlling for the distance. The data are consistent with tour knowledge that the village of Nangara is relatively close to the Kabale market. In my survey, the vast majority of Nangara's population declared that walking was its preferred method of transportation. Conversely, an increase in distance from the clinic increases the propensity to use the Boda Boda by 10 percent. This finding suggests that relative proximity to health facilities lowers individuals' time to reach it, making people less sensitive to its distance from their respective households. The third column adds the agricultural surplus dummy variable, which describes how perceiving an agricultural income would increase the propensity to use Boda Boda by 2.23 percent.

The fourth column adds the interactive term between agricultural surplus and distance to the market. The positive coefficient, which must be added to the distance to the market coefficient, observes that farmers with agricultural surplus in Nangara are more sensitive to distance compared to the other villages’ farmers.

This result is the opposite of that observed in Kigarama, and can be explained by the relative proximity of Nangara to the market. Even though distance from the market might increase, it is still close enough
to allow Nangara farmers to make reasonable profits by selling produce there. The fifth column adds the education coefficient which, by itself, is neither statistically significant nor produces material differences in the other coefficients.

Table 3 applies the prior regression but to the combined dataset of the two villages. I added a dummy variable in the regression to account for individuals living or not living in the village of Kigarama. The regression I ran was thus:

$$ Y_i = \alpha + \beta_2 X_{2i} + \beta_3 X_{3i} + \beta_4 X_{4i} + KX_j + u_i + X\Theta $$

where K is a dummy variable which assumes values of 1 if an observation is in the Kigarama village, and values of 0 if it is not, and where X is a vector of controls $X = (X_1, X_2)$

The coefficients are the averages of the two villages, while the statistically significant coefficient for the dummy variable Kigarama highly demonstrates that living in a remote, rural area reduces the propensity to use Boda Boda by 18.5 percent. This result confirms that location that affects transportation choice in the observed populations.

CHAPTER 5.3 POISSON REGRESSION

A further quantitative analysis of the factors affecting the use of Boda Boda should take into consideration the number of trips every individual is willing to make. This statistical analysis requires the use of a more advanced mathematical tool. The variable “Number of trips use of Boda Boda” is a counting variable, and follows a Poisson distribution.

This Poisson characteristic fits the objective of my analysis: every time an individual undertakes a trip with a Boda Boda the decision to have another ride is affected by the previous one. I thus decided to

<table>
<thead>
<tr>
<th>Table 3: Factors Affecting Demand for Boda Boda</th>
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<tbody>
<tr>
<td>Distance from the market</td>
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<tr>
<td>Cost of Boda Boda to reach the market</td>
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<tr>
<td>Distance from the clinic</td>
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<tr>
<td>Cost of Boda Boda to reach the clinic</td>
</tr>
<tr>
<td>Agricultural Surplus</td>
</tr>
<tr>
<td>Agricultural Surplus x Distance from market</td>
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<tr>
<td>Education</td>
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<tr>
<td>Kigarama</td>
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<tr>
<td>Constant</td>
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<tr>
<td>Observations</td>
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<td>R-squared</td>
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Note: * p<.1, ** p<.05, ***p<.01

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<th>Table 4: Factors Affecting Multiple Boda Boda Usage in Kigarama</th>
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<tr>
<td>Cost of Boda Boda to market</td>
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<tr>
<td>Distance from clinic</td>
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<tr>
<td>Cost of Boda Boda to clinic</td>
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<tr>
<td>Agricultural surplus</td>
</tr>
<tr>
<td>Agr. Surplus x Dist. market</td>
</tr>
<tr>
<td>Education</td>
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<tr>
<td>Constant</td>
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<tr>
<td>Observations</td>
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</tbody>
</table>

Note: * p<.1, ** p<.05, ***p<.01
run the following regression:

$$\ln(\mu) = \alpha + \beta x_{2i} + \beta x_{3i} + \beta x_{4i} + u_i + X \Theta$$

where $X$ is a vector of controls $X = (X_1, X_2)$

Again, I considered the distance between the clinic and the market, as well as the subsequent relative costs for reaching the clinic and the market, as proxies for personal welfare. I used the education level, age, and the presence of agricultural surplus as controls. One unit of increase in the regressor coefficient reflects a decrease by a percentage of the expected value of the counting variable. Table 4 shows the results for the Kigarama village.

The first four regressions show the impact of the variables used as a proxy for welfare, distances, and costs for reaching clinics and markets on the decision to undertake multiple Boda Boda trips. An increase of the distance from the clinic causes the likelihood of undertaking an additional trip to be 81.7 percent. The data do not show a statistically significant value for the market distance. However, the data set does show the importance of transportation service prices in poor, rural areas. An increase of 1,000 Ugandan Shillings for the Boda Boda service to the market causes the probability of taking an additional trip to decrease by more than 6 percent, while an increase in the costs to access the clinic decreases the probability of an additional trip by 12.2 percent.

These values are consistent with the findings of Cohen and Dupas, who argued the idea that individuals in poor African rural settings are more likely to use goods or services they pay for compared to the goods obtained for free. In regressions 5, 6, and 7, the control variable “Agricultural Surplus” has a strong impact on the results. It appears that the availability of produce to sell is the main factor in the decision to undertake multiple Boda Boda trips. The presence of agricultural surplus causes the probability to undertake one more Boda Boda trip to increase more than threefold, because . The level of education is an additional element that seems to encourage Kigarama citizens to use the motorbike taxi system. This education variable also makes the coefficient for clinic distance further decrease.

Table 5 shows the results after running the same Poisson regression for the village of Nangara. This table does not show any statistically significant result, columns for the variable cost of Boda Boda for reaching the clinic except in columns 4 and 5. The highly negative values confirm that individuals in Nangara are price sensitive. A puzzling result arises from column 6. In the next to last regression, the addition of the dummy variable “Agricultural surplus x Distance to the Market” produces counterintuitive outcomes. The surplus dummy, by itself, suggests that the potential to sell produce decreases the probability of undertaking additional trips by more than 80 percent. On the contrary, when the same variable interacts with

### Table 5: Factors Affecting Multiple Boda Boda Usage in Nangara

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<th>(4)</th>
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<th>(6)</th>
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<td>0.0134</td>
<td>0.0135</td>
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<td>Cost of Boda</td>
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<td>Boda to clinic</td>
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<td>-0.0453</td>
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<tr>
<td>Dist. market</td>
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<td>Education</td>
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<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
<td>120</td>
</tr>
</tbody>
</table>

Note: * p<.1, ** p<.05, ***p<.01

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vii The probability of the additional trip is 0.81709
the distance to the market, the coefficient suggests that the occurrence of extra trips increases by almost six times. In this case, the closeness to the Kabale market makes the trip relatively cheap, and suggests that a marginal increase in the price of the taxi service is not regarded as a burden.

Chapter 5.4 Qualitative Analysis

A qualitative analysis of the same factors makes it clear that the local concept of well-being is different from that used in either the United States or Western Europe. In these villages, social relations are an element fundamental to an individual’s wellbeing. The survey shows that Boda Boda services are often used by both sexes to facilitate social interaction. Table 6 shows the results of the survey on the self-declared Boda Boda utilization in the village of Kigarama. Percentages refer to the proportion of the population that claimed to use Boda Boda “always” or “most of the time” to reach the different locations that were the same for each survey participant.

The data show that a greater proportion of the population uses Boda Boda for maintaining or creating social relations (51.72 percent) than for business-oriented utilization (39.65 percent). Another observation is the scarce utilization of the Boda Boda service for accessing school (14.49 percent). Table 7 shows the results for the same survey given in the village of Nangara. Based on the survey, a higher percentage of the Nangara population, compared to Kigarama, uses Boda Boda to facilitate social interaction. Both Nangara’s relative proximity to the district capital Kabale and the road network that creates more options for interactions might explain this fact.

The analysis of this data shows that the Boda Boda service is perceived primarily as a tool to participate in the social life of the wider community, and that membership within this community requires visits and contact with people outside of one’s home village. The Boda Boda’s utilization is scarce in terms of access to the Western elements of welfare. Access to education is often limited to primary schools, which are located close to many villages and are easily reachable on foot, but provide poor education quality. This does not mean that the average family disregards the importance of education, but highlights the fact that the choice of Boda Boda utilization has different priorities.

The econometric analysis used earlier shows that the same concept applies to access to health services. Increased distance from the clinic makes individuals less likely to use Boda Boda. The time required to visit a clinic is considered less important than time spent in agricultural production. Western concepts of social welfare are thus not able to describe the utility of the Boda Boda transportation services.

Social interaction appears to be the crucial motivation for utilizing Boda Boda. The maintenance of old and creation of new social ties allows vulnerable populations to deal with the challenges that stem from their socioeconomic status. The Boda Boda service is an invaluable tool to achieve this goal.

An often-overlooked important step in development is the process of sharing knowledge, ideas, and insight with the population. Figures 16 and 17 show the results of a survey of the Boda Boda service, in which residents of Kigarama and Nangara were asked about their changes in welfare and personal income. The answers for the question regarding perceived well-being ranged from a 0, which showed absolute disagreement with the idea that Boda Boda services increase welfare, to a 5, which signified complete agreement with the statement. Based on the survey results, the population views the service as a positive element for their welfare.

<table>
<thead>
<tr>
<th>Table 6: Self-Declaration of Boda Boda Use in Kigarama</th>
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<tr>
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<tr>
<td>Access to market</td>
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<tr>
<td>Access to education</td>
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<td>Access social activities</td>
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<table>
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<tr>
<th>Table 7: Self-Declaration of Boda Boda Use in Nangara</th>
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<td></td>
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<tr>
<td>Access to market</td>
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<tr>
<td>Access to education</td>
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<td>Access social activities</td>
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</table>
Figures 18 and 19 show the answers to the question regarding perceived usefulness of the Boda Boda services in increasing personal income. Following the previous scale, the answers do not show a strong conclusion about the real impact of the service.

The results are strikingly similar between the two villages, and seem to verify the theoretical benefits of a transportation service. Isolation limits the ability of remote populations to access the urban network of opportunities and the people deemed worth to connect with. In the case of rural southwestern Uganda, opportunities refer to the social interactions with the broader community. It should not be surprising that willingness to be transported to the market serves not only as a means to increase personal income, but also as a tool to achieve personal freedom. From this study, it can be inferred that Boda Boda service plays an important role in facilitating personal interactions that determine individual freedoms. Boda Boda transportation enables individuals in remote rural population to access the mobility they deem necessary for their welfare.

CONCLUSION

The widespread development of motorcycle taxis system in southern Uganda is changing the mobility habits of the rural populations. The need for reliable and effective transportation is being largely met by an organization of young men called Boda Boda. The present work investigates how, and to what extent, the Boda Boda system affects two isolated rural communities located in the Kabale District of southwestern Uganda. This study demonstrates that the service is utilized as a fundamental tool for improving social interaction, a key element of the welfare in the area. Results also reveal that access to health through the transport system is subordinate to economic activities.

Mobility in this area, as suggested by Bryceson, is dictated by the already established population activities. This research confirms this interpretation and provides a further analysis. It contends that in various areas of the world, there are cultural frameworks that differently prioritize the activities improving our personal welfare. Moreover, those decisions are often affected by socio-economic constraints. These constraints force rural populations to make choices that do not seem appropriate given the economic context.
of the area. In rural southern Uganda, it is neither the possibility of reaching the marketplace nor of accessing health facilities that influences the choice for mobility. Rather, the need for social interaction impacts the choice for mobility. The Boda Boda transportation system plays a crucial role in satisfying the local need for social relations. As Sen argues, this interaction among communities is necessary, but not sufficient, to foster development.

The Boda Boda phenomenon, while providing a service that is perceived as valuable by the population, must be understood to maintain or disprove the assumptions of the development economic literature. Scholars such as Devarajan have claimed that road infrastructure investments are not fundamental for the development of remote rural areas in poor countries. Similarly, Bryceson has also argued that the transportation system is only a tool for enhancing already established socio-economic activities.

However, this research demonstrates that the Boda Boda transportation system allows rural and remote populations to connect with a broader social and economic network. This trend will only increase in the future, as populations will likely have access to a larger amount of information. Remote populations, who now have the ability to get in touch with realities beyond their villages, will recognize that better road infrastructure is important. They might decide that their welfare depends on increased mobility through the strengthened Boda Boda transportation system. The opportunity to have different options from forced mobility, which Lovisolo defines as, “...un fenomeno diffuso che si configura come un esodo rurale da ambienti poveri...e pone problem complessi di urbanizzazione,” is crucial for personal development. The ability to interact with people with different personal experiences is crucial for individual development. The utilization of Boda Boda, which freely permits access to a larger marketplace of ideas, may allow populations to decide what their future should look like.

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