

# Regime types and Democratization

Andrew Eggers

LSE

21 February 2014

# Plan

This session:

- ▶ What is a democracy? Non-democracy?
- ▶ What determines regime types?

## Defining regimes

### Theories of democratization

Economic development

Inequality

Culture

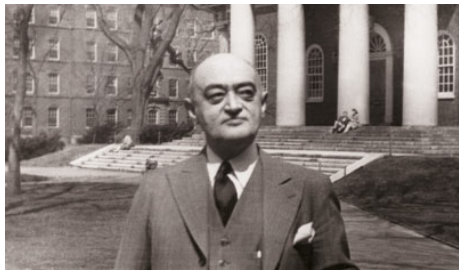
Resource endowments

### Conclusion

# Schumpeter's minimalist definition

**Joseph Schumpeter** (1942) *Capitalism, Socialism, and Democracy*:

- ▶ Critiques classical theories of democracy (e.g. Rousseau, democracy as means of rule by the people via delegate officeholders): “general will” of society does not exist; voters not qualified even to discern own interests
- ▶ Defends limited version of democracy, which he calls “the institutional arrangement for arriving at political decisions in which individuals acquire the power to decide by means of a competitive struggle for the people’s vote”



## Challenges of measurement

Suppose we accept Schumpeter's minimalist definition. How do we know whether power is determined by a "competitive struggle for the people's vote"?

## Challenges of measurement

Suppose we accept Schumpeter's minimalist definition. How do we know whether power is determined by a "competitive struggle for the people's vote"?

- ▶ **Narrow approach** (e.g. Przeworski, Alvarez, Cheibub and Limongi (2000)'s binary measure): has a party ever lost power? (But what about South Africa after apartheid, Japan before 1993, Botswana?)
- ▶ **Broader approach** (e.g. Polity IV continuous measure; Møller & Skaaning): are the preconditions in place for a "competitive struggle" (e.g. absence of fraud, free entry, free media)

## The most popular measure of democracy/autocracy

**The Polity IV Project** ([link](#)) measures key aspects in all countries and produces a widely-used score.

## The most popular measure of democracy/autocracy

**The Polity IV Project** ([link](#)) measures key aspects in all countries and produces a widely-used score.

The “polity” score  $[-10, 10]$  is the sum of several indices of

- ▶ competitiveness of executive recruitment
- ▶ openness of executive recruitment
- ▶ constraint on chief executive
- ▶ competitiveness of political participation
- ▶ regulation of participation

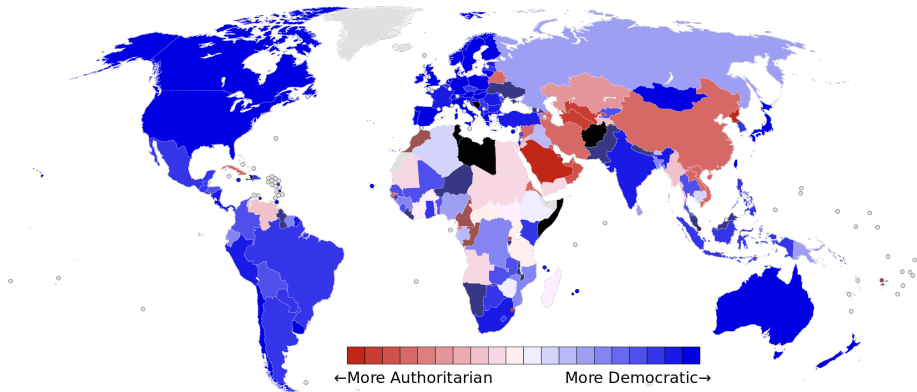
⇒ theoretically, many ways to score a 0; only one way to score a 10 or -10



## Some examples: Polity IV in 2012

Country	Polity score
North Korea, Saudi Arabia	-10
China, Cuba	-7
Venezuela	-3
Singapore	-2
Uganda	-1
Iraq	3
Russia	4
Pakistan	6
Colombia	7
Brazil, Philippines, Kenya, Mexico, Belgium	8
India, France	9
Rest of W. Europe, CAN, USA, AUS, NZ , Chile, Costa Rica, Uruguay, Poland, Lithuania, Hungary, Japan, Taiwan	10

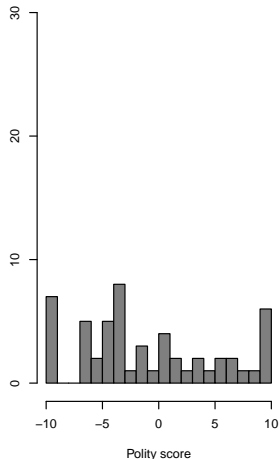
## Map: Polity IV in 2011



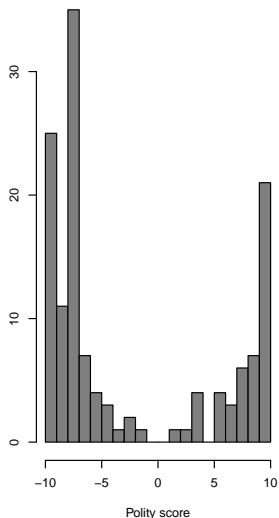
Source: Wikipedia

# Histogram: Polity IV at three points in time

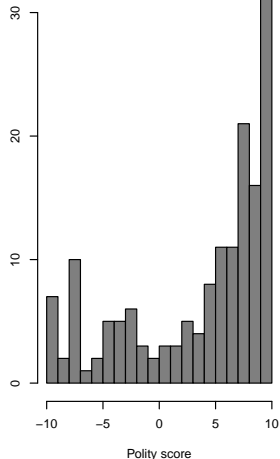
1900

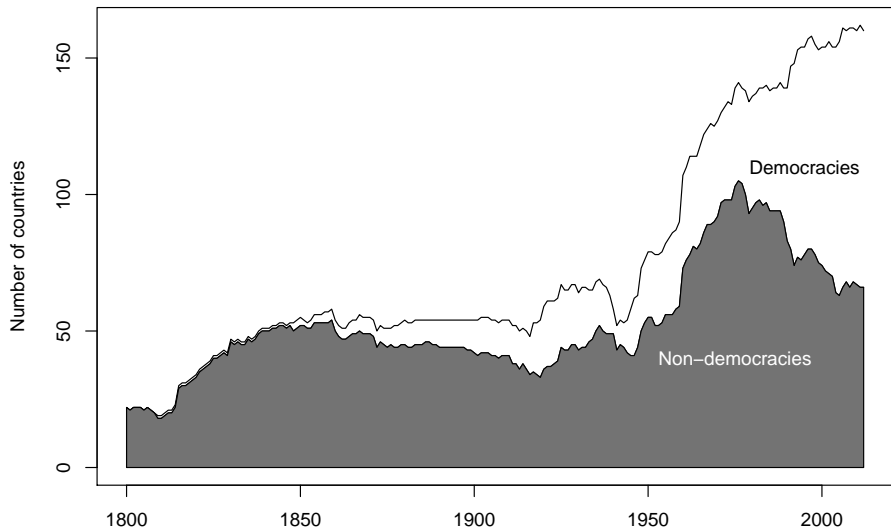


1980

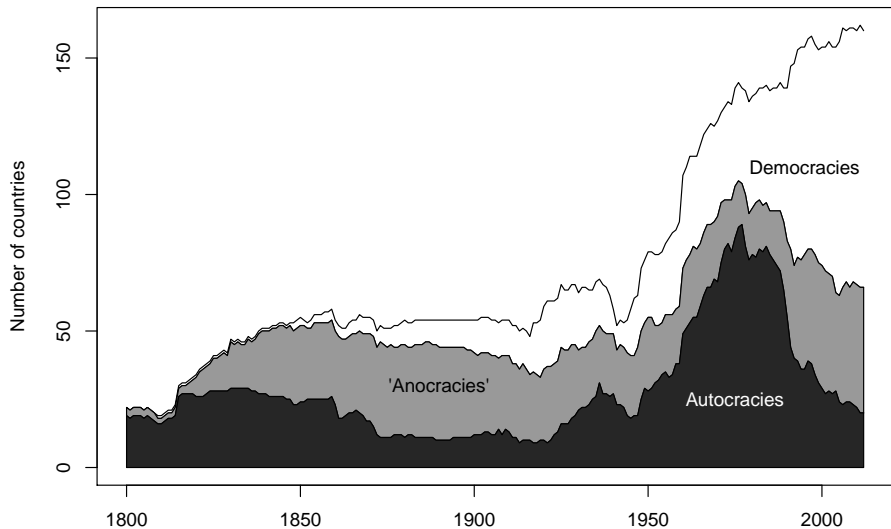


2012

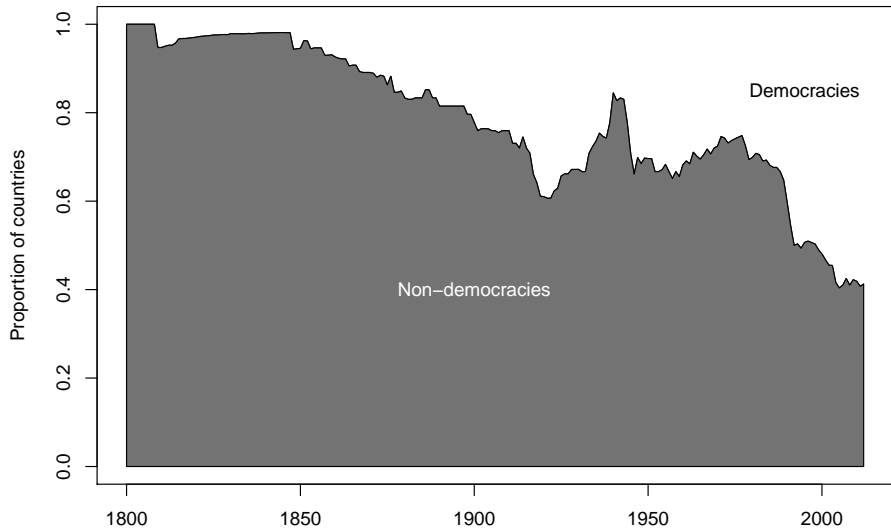


Time series: Democracy ( $\geq 6$ ) vs non

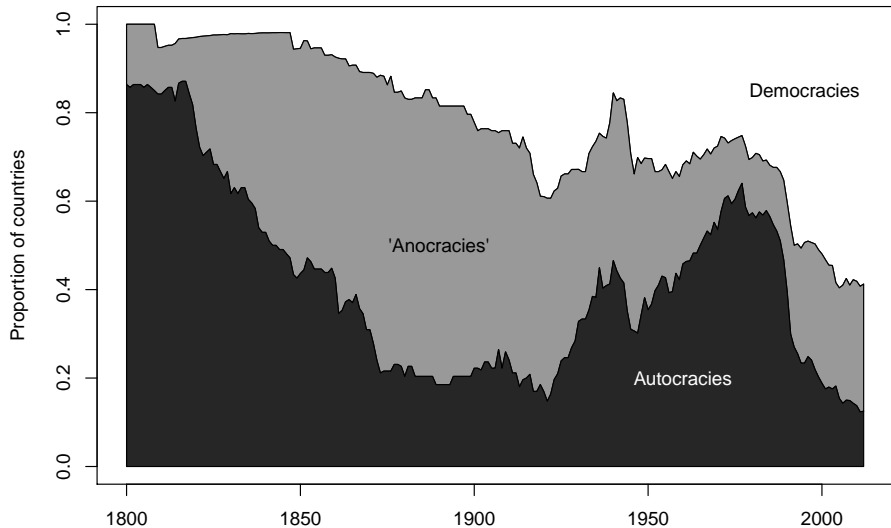
## Time series: Democracy, anocracy, and autocracy



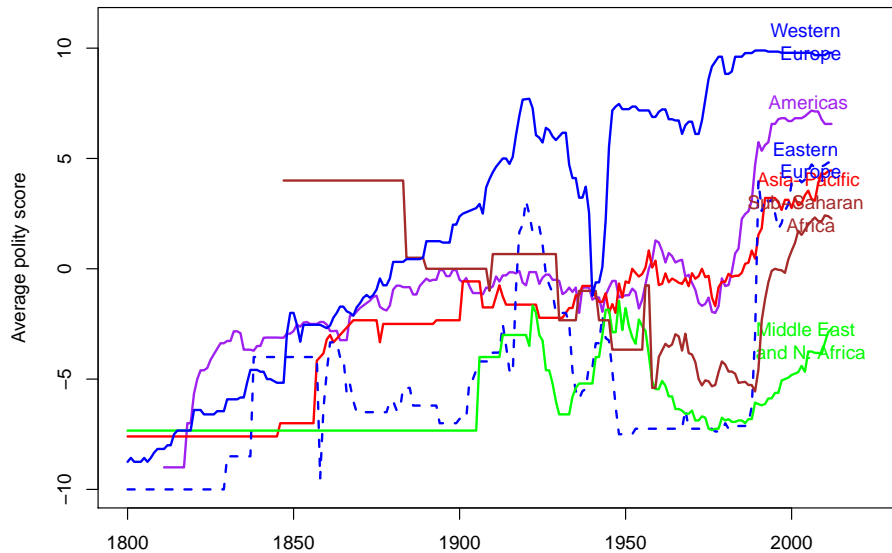
## Time series: proportions (1)



## Time series: proportions (2)



## Time series: Average policy score by region





## Questions from looking at Polity IV data

- ▶ Why has democracy become dominant?
- ▶ What explains cross-national/cross-regional differences in democracy?
- ▶ Will the whole world eventually become democratic?
- ▶ What is “anocracy” and what explains its resurgence?

## Defining regimes

## Theories of democratization

- Economic development

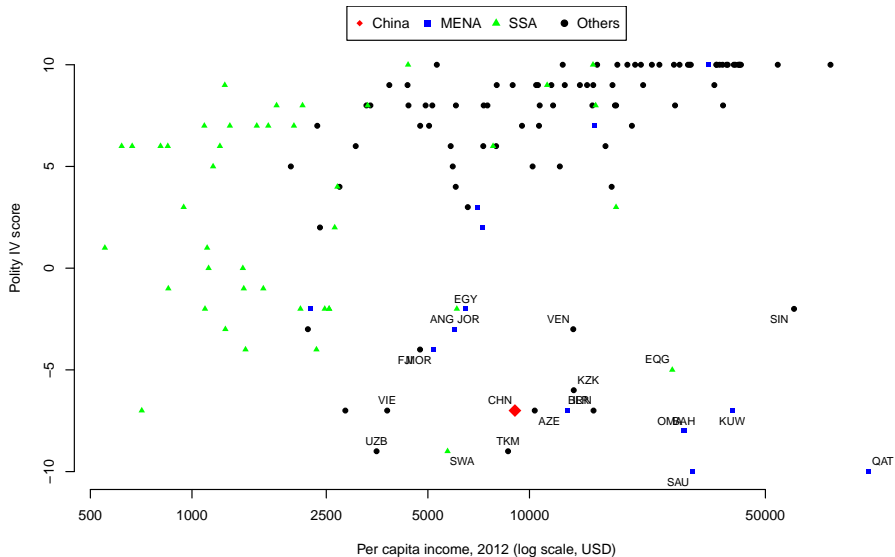
- Inequality

- Culture

- Resource endowments

## Conclusion

## Theories of democratization



## Modernization theory

**In brief:** Economic development produces social changes favorable to democracy.

## Modernization theory

**In brief:** Economic development produces social changes favorable to democracy.

*Perhaps the most common generalization linking political systems to other aspects of society has been that democracy is related to the state of economic development. The more well-to-do a nation, the greater the chances that it will sustain democracy ... A larger middle class tempers conflict by rewarding moderate and democratic parties and penalizing extremist groups.*

Seymour M. Lipset (1960) *Political Man*

## Modernization theory (2)

**In brief:** Economic development produces social changes favorable to democracy.

## Modernization theory (2)

**In brief:** Economic development produces social changes favorable to democracy.

	<b>Traditional society</b>	<b>Modern society</b>
Agricultural sector	Large	Small
Industrial sector	Small	Large
Service sector	Small	Large

## Modernization theory (2)

**In brief:** Economic development produces social changes favorable to democracy.

	<b>Traditional society</b>	<b>Modern society</b>
Agricultural sector	Large	Small
Industrial sector	Small	Large
Service sector	Small	Large
Education	Limited	Universal
Urban middle class	Small	Large

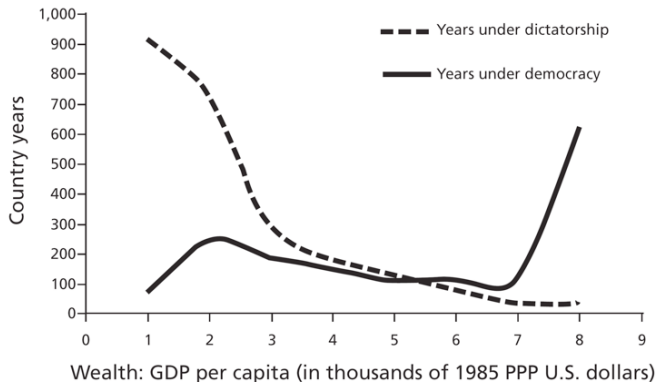


## Modernization theory (2)

**In brief:** Economic development produces social changes favorable to democracy.

	<b>Traditional society</b>	<b>Modern society</b>
Agricultural sector	Large	Small
Industrial sector	Small	Large
Service sector	Small	Large
Education	Limited	Universal
Urban middle class	Small	Large
<b>Implies:</b>	<b>Dictatorship</b>	<b>Democracy</b>

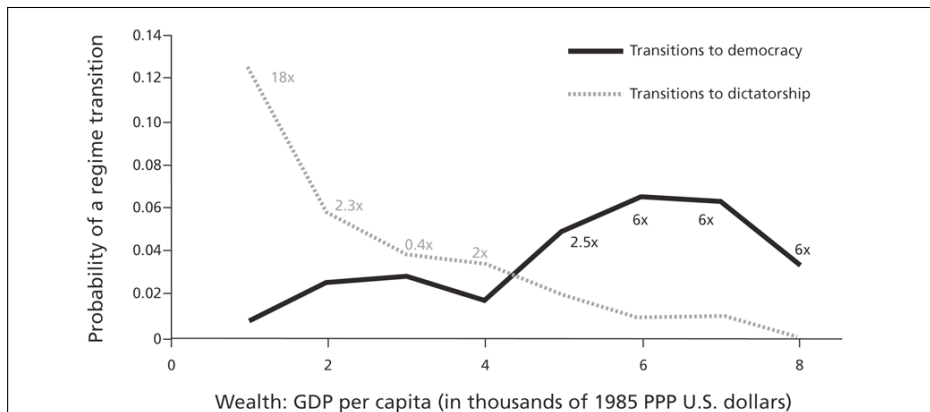
# Development and democracy: evidence (1)



Source: Data are from Przeworski et al. (2000).

Note: The figure plots the number of years that all countries (country years) have lived under democracy or dictatorship at different levels of wealth.

# Development and democracy: evidence (1)



Source: Data are from Przeworski et al. (2000).

Note: The numbers in the figure indicate how many times more likely it is for a country to transition one way or another. For example, the gray "2x" indicates that a country is twice as likely to transition to dictatorship as transition to democracy when its GDP per capita is \$4,000.

# Inequality and democracy: theory (1)

Does high inequality discourage democracy?

# Inequality and democracy: theory (1)

Does high inequality discourage democracy?

Good reason to think it might:

- ▶ In a democracy, more inequality  $\implies$  more redistribution (remember Meltzer-Richard?)
- ▶ In an autocracy, less redistribution than in a democracy
- ▶  $\implies$  rich elites more resistant to democracy when inequality is high

# Inequality and democracy: theory (1)

Does high inequality discourage democracy?

Good reason to think it might:

- ▶ In a democracy, more inequality  $\implies$  more redistribution (remember Meltzer-Richard?)
- ▶ In an autocracy, less redistribution than in a democracy
- ▶  $\implies$  rich elites more resistant to democracy when inequality is high

**But:** Mixed evidence for relationship between inequality and democracy (see Houle 2009).

## Inequality and democracy: theory (2)

**Possible explanation for mixed findings:** inequality also affects how much *the poor* benefit from democracy:

More inequality  $\implies$   
more **pressure** (by the poor) **and** more **resistance** (by the rich).

## Inequality and democracy: theory (2)

**Possible explanation for mixed findings:** inequality also affects how much *the poor* benefit from democracy:

More inequality  $\implies$   
more **pressure** (by the poor) **and** more **resistance** (by the rich).

Houle (2009) idea:

- ▶ Predicted role of inequality is ambiguous for *democratic revolutions*, because these often result from mass movement
- ▶ But less so for *coups*, because these often are carried out by small groups of elites while public is disorganized.

(Important role for **collective action problems**.)



# Inequality and democracy: findings

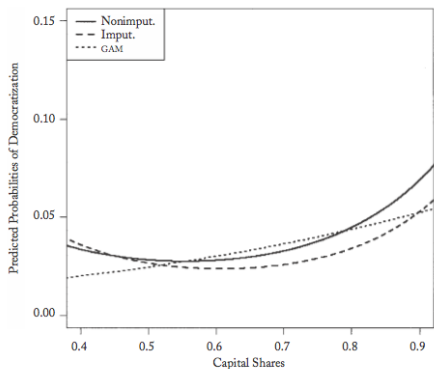


FIGURE 1

PREDICTED PROBABILITIES OF TRANSITION FROM DICTATORSHIP TO DEMOCRACY

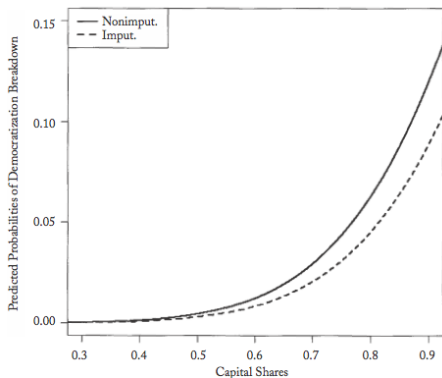


FIGURE 2

PREDICTED PROBABILITIES OF TRANSITION FROM DEMOCRACY TO DICTATORSHIP

(“Capital shares” measures inequality.)

## Culture and democracy

- ▶ de Toqueville *Democracy in America* (1835, 1840) admires U.S. constitution but emphasizes “habits of mind” as more important in protecting liberty

## Culture and democracy

- ▶ de Toqueville *Democracy in America* (1835, 1840) admires U.S. constitution but emphasizes “habits of mind” as more important in protecting liberty
- ▶ Almond and Verba, *Civic Culture* (1963): Survey research in five countries (US, UK, Germany, Italy and Mexico) on citizens' attitudes toward government; emphasizes importance of
  - ▶ combination of active and passive orientations toward government
  - ▶ consensus among citizens about appropriate boundaries of government.

## Culture and democracy

- ▶ de Toqueville *Democracy in America* (1835, 1840) admires U.S. constitution but emphasizes “habits of mind” as more important in protecting liberty
- ▶ Almond and Verba, *Civic Culture* (1963): Survey research in five countries (US, UK, Germany, Italy and Mexico) on citizens’ attitudes toward government; emphasizes importance of
  - ▶ combination of active and passive orientations toward government
  - ▶ consensus among citizens about appropriate boundaries of government.
- ▶ **World Values Survey** (Inglehart, Welzel) since 1981 collecting data on people’s values and beliefs in about **100** countries.

## WVS map of the world

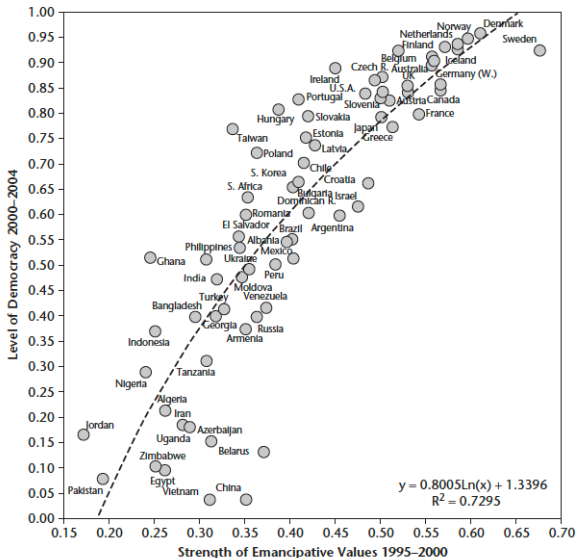


## Congruence thesis

*Congruence theory argues that, in order to be stable, the authority patterns characterizing a country's political system must be consistent with the people's prevailing authority beliefs.*

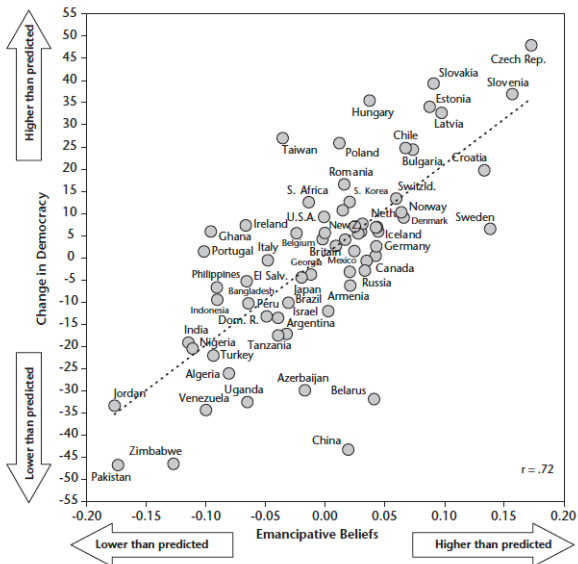
Welzel and Inglehart, page 134.

# Attitudes and democracy



- ▶ **Emancipative values:** composite of 14 WVS questions on gender equality, tolerance, autonomy, and participation
- ▶ **Level of democracy:** avg of four indices (e.g. Freedom House)

## Causal?



- ▶ **x-axis:** emancipative values around 1990, controlling for level of democracy 1984-1988
- ▶ **y-axis:** change in democracy index, 1984-1988 → 2000-2004



# What are emancipative values? (1)

Belief in	Gender equality over Patriarchy				Tolerance over Conformity		
Items	Agree that woman can live by herself	Disagree that men better political leaders	Disagree education is more important for boys	Disagree that men have more right to a job	Agree that abortion can be justified	Agree that homosexuality is justified	Agree that divorce is justified

Inglehart and Welzel chapter, p. 130

## What are **emancipative values**? (2)

Autonomy over Authority				Participation over Security (Postmaterialist values)		
Autonomy chosen	Imagination chosen	Obedience not chosen	Faith not chosen	Priority to giving people more say in government over order and stable prices	Priority to giving people more say in local affairs over strong defense and fighting crime	Priority to protecting freedom of speech over order and stable prices

## Alternative explanations for correlation with culture

What are some **alternative explanations** for the correlation between “emancipative values” and democratization?

## Alternative explanations for correlation with culture

What are some **alternative explanations** for the correlation between “emancipative values” and democratization?

**Bottom line:** Values are probably important, but difficult to show that they cause democratization

## Why so few Arab democracies?

- ▶ Religion/culture: Diamond (2010) finds doubtful based on a) non-Arab Muslim democracies, b) survey responses of Arabs about democracy

## Why so few Arab democracies?

- ▶ Religion/culture: Diamond (2010) finds doubtful based on a) non-Arab Muslim democracies, b) survey responses of Arabs about democracy
- ▶ More likely, according to Diamond (2010):
  - ▶ Fear of Islamist takeover, given democratic opening (“one person, one vote, one time”)
  - ▶ “Resource curse” of rentier states: plenty of resources for buying off potential opposition; no need to offer political concessions.  
“Not a single one of the 23 countries that derive most of their export earnings from oil and gas is a democracy today” (Diamond 2010, p. 98).

## Resource curse: theory

**Resource curse in general:** The idea that natural resource wealth hurts countries.

- ▶ Slower economic growth
- ▶ More civil conflict
- ▶ Less democracy



## Resource curse: theory (2)

Why would natural resource wealth impede democracy?



## Resource curse: theory (2)

Why would natural resource wealth impede democracy?

**One reason:** Natural resources make dictators (and their regimes) rich.

## Resource curse: theory (2)

Why would natural resource wealth impede democracy?

**One reason:** Natural resources make dictators (and their regimes) rich.  
So:

- ▶ They have the **motive** to stay in power. (Or take power.)
- ▶ They have the **bureaucratic resources** to stay in power (via repression, co-optation, light taxation)
- ▶ They may be able to fool **imperfectly informed voters** into thinking they are doing a good job

## Resource curse: theory (2)

Why would natural resource wealth impede democracy?

**One reason:** Natural resources make dictators (and their regimes) rich.  
So:

- ▶ They have the **motive** to stay in power. (Or take power.)
- ▶ They have the **bureaucratic resources** to stay in power (via repression, co-optation, light taxation)
- ▶ They may be able to fool **imperfectly informed voters** into thinking they are doing a good job

**Another reason:** Natural resource wealth does not encourage the kind of economic **development** that produces democracy (esp. development of an educated middle class)

## Resource curse: evidence

**First wave study:** Ross (2001) shows in a panel regression

- ▶ oil negatively correlated with Polity score, controlling for lagged Polity score, minerals, GDP, Islam, OECD, year
- ▶ using a non-recommended (!) means of assessing causal channels\*, shows that effect of oil may operate through taxes and size of government (**bureaucratic resources**), employment structure (**development**)

\* Add variable  $X$  to the regression; if the coefficient on oil becomes smaller, you have evidence that oil affects regime through variable  $X$ .

## Resource curse: evidence

**First wave study:** Ross (2001) shows in a panel regression

- ▶ oil negatively correlated with Polity score, controlling for lagged Polity score, minerals, GDP, Islam, OECD, year
- ▶ using a non-recommended (!) means of assessing causal channels\*, shows that effect of oil may operate through taxes and size of government (**bureaucratic resources**), employment structure (**development**)

\* Add variable  $X$  to the regression; if the coefficient on oil becomes smaller, you have evidence that oil affects regime through variable  $X$ .

Bottom line on Ross (2001): good background, outdated empirical analysis

## Resource curse: evidence (2)

**Second wave studies:** Questioning oil-impedes-democracy thesis on endogeneity grounds.

- ▶ **Reverse causation:** political developments may affect oil income (e.g. OPEC, revolution in Iran)
- ▶ **Omitted variable bias:** even controlling for e.g. Islam, may be factors not included in regression that affect/are correlated with both resources and political outcomes (e.g. geography)

## Resource curse: evidence (2)

**Second wave studies:** Questioning oil-impedes-democracy thesis on endogeneity grounds.

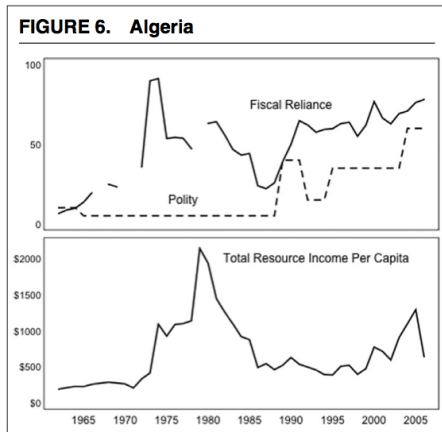
- ▶ **Reverse causation:** political developments may affect oil income (e.g. OPEC, revolution in Iran)
- ▶ **Omitted variable bias:** even controlling for e.g. Islam, may be factors not included in regression that affect/are correlated with both resources and political outcomes (e.g. geography)

We'll talk about three responses recent research has taken:

- ▶ Fixed effects
- ▶ Instrumental variables (IV) 1: natural disasters affecting oil price
- ▶ Instrumental variables (IV) 2: oil endowment affecting oil discoveries

## Fixed effects analysis

**Haber and Menaldo (2011):** Once you include country fixed effects, no correlation between a government's "resource reliance" and polity score





# Instrumental variables (1)

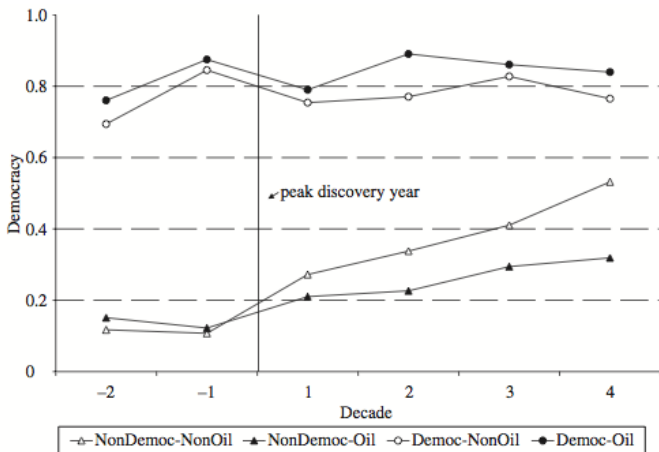
**Ramsey (2011):** If you instrument oil income per capita by “out-of-region disaster damage”, strong negative effect of oil income on polity score

TABLE 3. Two-stage least squares: Polity IV scores on oil income

<i>Independent variables</i>	<i>World oil producers' political freedom measure</i>			
	<i>Polity IV (1)</i>	<i>Polity IV (2)</i>	<i>Polity IV (3)</i>	<i>Polity IV (4)</i>
LOG OIL INCOME PER CAPITA	-.633 (.206)	-.356 (.077)	-.356 (.077)	-.357 (.167)
LOG GDP PER CAPITA	—	.361 (.056)	.355 (.053)	.355 (.155)
GDP GROWTH	—	—	-.012 (.004)	-.012 (.005)
POLITY AT ENTRY	—	—	—	-.001 (.371)
<i>Constant</i>	2.92 (.859)	-.992 (.203)	-.891 (.190)	-.892 (.408)
<i>Cragg-Donald statistic</i>	10.65	26.54	26.73	6.25
	<i>Log oil revenues per capita (first stage)</i>			
	<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>
LOG OUT OF REGION DISASTER ESTIMATES	.178 (.056)	.245 (.055)	.244 (.054)	.117 (.037)

## Instrumental variables (2)

**Tsui (2011):** If you instrument oil discoveries by “oil initially in place”, strong negative effect of oil discoveries on polity score



## What about China?

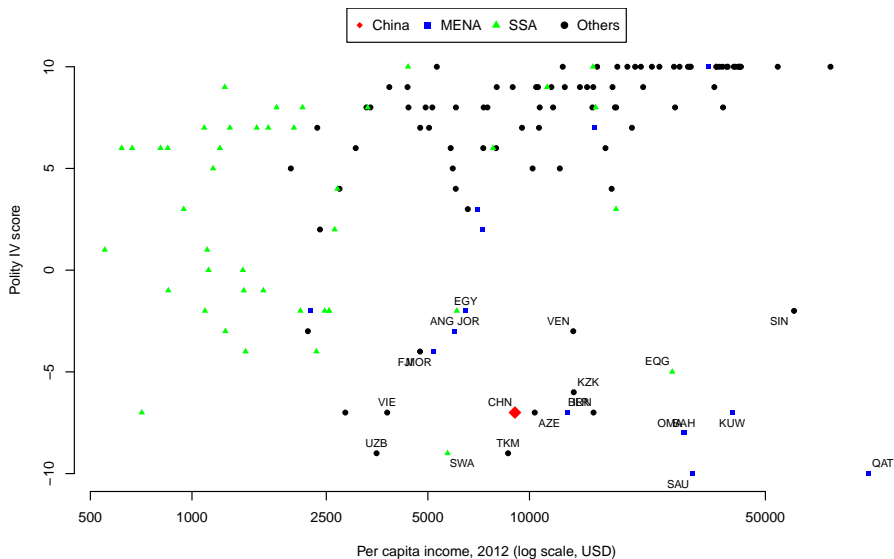
- ▶ Cultural explanations (“Confucian authoritarianism”): doubtful based on Japan, Taiwan, South Korea (also recall China as outlier in WVS data)

## What about China?

- ▶ Cultural explanations (“Confucian authoritarianism”): doubtful based on Japan, Taiwan, South Korea (also recall China as outlier in WVS data)
- ▶ Key factors, according to Nathan (2003):
  - ▶ “Norm-bound” successions
  - ▶ Largely meritocratic promotion
  - ▶ Pragmatic (rather than ideological) policy choices by regime
  - ▶ Careful management of dissent

## What about China?

- ▶ Cultural explanations (“Confucian authoritarianism”): doubtful based on Japan, Taiwan, South Korea (also recall China as outlier in WVS data)
- ▶ Key factors, according to Nathan (2003):
  - ▶ “Norm-bound” successions
  - ▶ Largely meritocratic promotion
  - ▶ Pragmatic (rather than ideological) policy choices by regime
  - ▶ Careful management of dissent
- ▶ Other key factors?
  - ▶ Fast & steady economic growth
  - ▶ A “resource curse” emerging from huge trade surpluses, growth



Defining regimes

Theories of democratization

- Economic development

- Inequality

- Culture

- Resource endowments

Conclusion

## Wrapping up

- ▶ Defining, measuring democracy is challenging
- ▶ Democracy has experienced a long-term and mostly steady rise
- ▶ Remaining variation has several explanations: economic growth, inequality, cultural, resource-based