

# POL201Y1: Politics of Development

Lecture 15:

Regime change and regime types

# Recap

- What is the relationship between society and development?
- Social capital:
  - Fukuyama: social capital → development
  - Putnam: social development → institutional performance / state capacity → development

# Recap

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- ~~Social capital:~~
  - ~~Fukuyama: social capital → development~~
  - ~~Putnam: social development → institutional performance / state capacity → development~~

# Recap

- State as an:
  - Migdal:
    - Participant in political contestation between competing political agents and social forces
    - Interactions between the state and society → type of distribution of social control → state capacity → development
  - Migdal, Kohli, and Shue:
    - Arena of political contestation between competing political agents and social forces
    - Struggles for domination between social forces → patterns of domination → state capacity → development
- Types of domination / social control:
  - Integrated / concentrated
  - Dispersed / fragmented

What are the developmental outcomes of different configurations of state-society relations?

# Outcomes of distribution of domination

- Integrated / concentrated → state autonomy →
  - High state capacity → development (or, in some cases, unsuccessful 'seeing like a state' schemes) + repression
  - (Neo)patrimonialism → low state capacity → low level of development + repression
- Dispersed / fragmented →
  - 'Triangle of accommodation' → low state capacity → low level of development + (in some cases) decentralization of predation (i.e. emergence of roving bandits)
  - 'Consensually strong state equilibrium' (Acemoglu 2005)
- Disclaimer: stylized / ideal types

# Causes of distribution of domination

- Path dependence / complex historical process (Olson, Tilly)
- Outcome of strategic interactions between political agents / social forces (Migdal; Migdal, Kohli, and Shue)
- Economic basis:
  - Point resources (oil, other extractives, logging), horticulture (coffee, cocoa), seignorage, trade taxes, high capacity to observe transactions → state autonomy
  - Livestock, manufacturing, informal sector → state dependence

How does society react to undesirable state actions (i.e. the pitfalls of state capacity)?



# Initial conditions

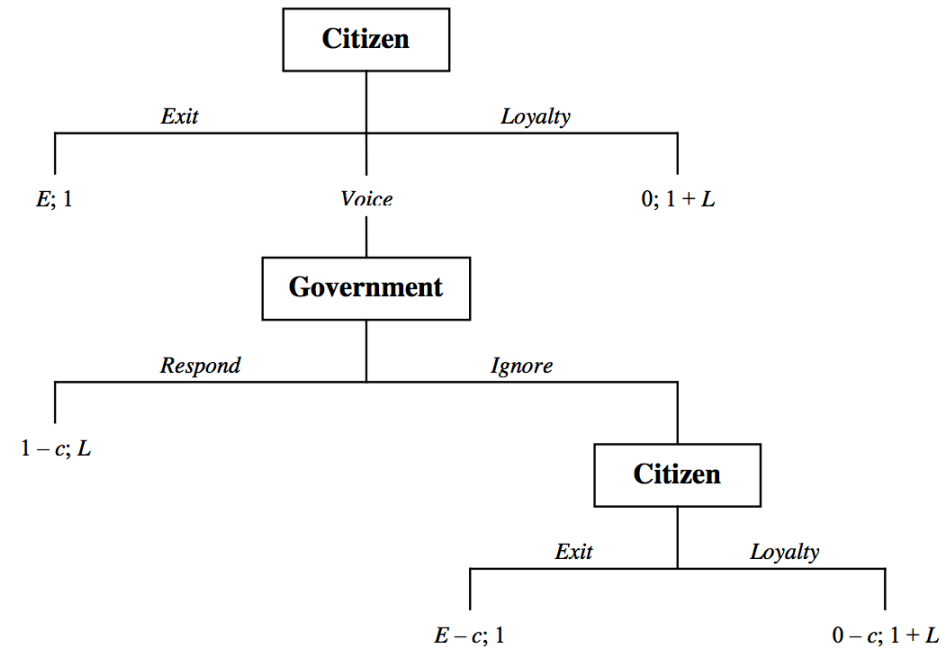
- Dependent states:
  - 'Consensually strong state equilibrium'
  - Low state capacity + low level of development + decentralization of predation
- Autonomous states:
  - State autonomy + development
  - State autonomy + lack of development

# Society / citizen responses

- Exit: citizen accepts the deleterious change but alters her behaviour to optimize in the new environment
- Voice: citizen does not accept the deleterious change and instead seeks to 'persuade' the government to reinstate her original environment
- Loyalty: citizen accepts the deleterious change and makes no change to her pre-existing behaviour
  - Based on Clark, William Roberts, Matt Golder, and Sona N. Golder. 2017. "An Exit, Voice and Loyalty Model of Politics." *British Journal of Political Science*.

# Game tree

Figure 1: Exit, Voice, and Loyalty Game

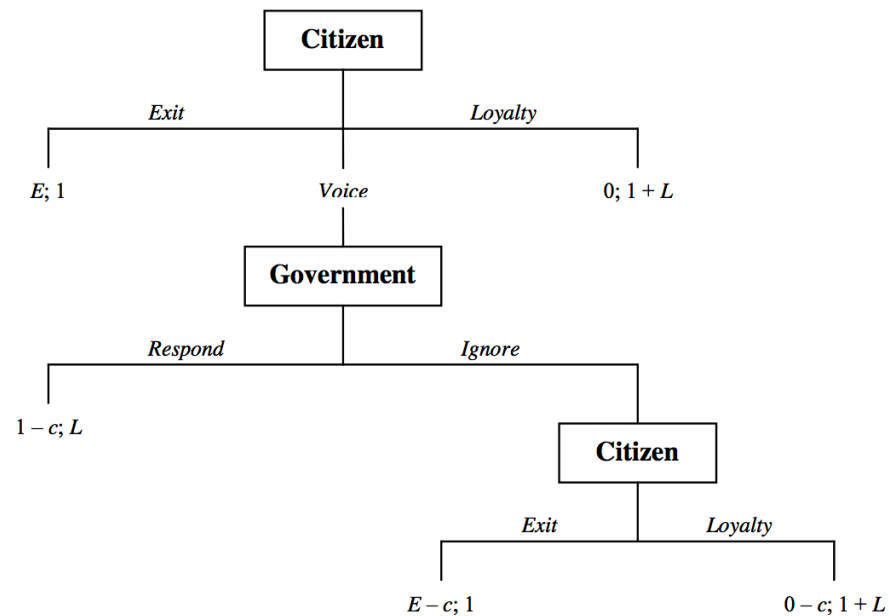


*Note:*  $E$  is the citizen's exit payoff, 1 is the value of the benefit that the government takes from the citizen in the pre-history of the game,  $L$  is the value the government obtains from having a loyal citizen who does not exit, and  $c$  is the citizen's cost of using voice. It is assumed that  $c, L > 0$ .

# Model

- Lost / seized benefit = 1
- $E$ : benefit of exit
- $L$ : benefit of retaining citizen loyalty ( $L > 0$ )
- $c$ : cost of voice ( $c > 0$ )

Figure 1: Exit, Voice, and Loyalty Game



*Note:*  $E$  is the citizen's exit payoff, 1 is the value of the benefit that the government takes from the citizen in the pre-history of the game,  $L$  is the value the government obtains from having a loyal citizen who does not exit, and  $c$  is the citizen's cost of using voice. It is assumed that  $c, L > 0$ .

# Subgame perfect Nash equilibria

Table 1: Equilibria in the Exit, Voice, and Loyalty Game

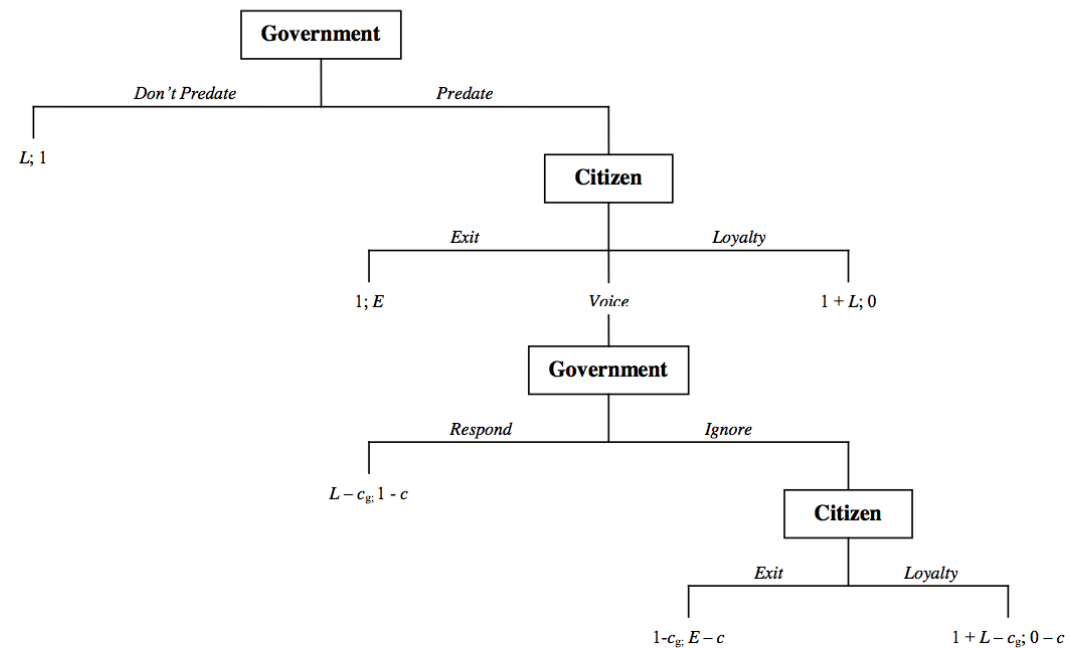
		<b>Government</b>			
		Autonomous, $L \leq 1$		Dependent, $L > 1$	
		<b>Is Voice Realistic?</b>		<b>Is Voice Realistic?</b>	
		Yes, $E \leq 1 - c$	No, $E > 1 - c$	Yes, $E \leq 1 - c$	No, $E > 1 - c$
<b>Citizen</b>	Credible Exit Threat, $E > 0$	E1: (Exit, Exit; Ignore)	E2: (Voice, Exit; Respond)	E3: (Exit, Exit; Respond)	
	No Credible Exit Threat, $E \leq 0$	E4: (Loyalty, Loyalty; Ignore)			

*Note:* The equilibria are written in the following form: (Citizen's first action, Citizen's second action; Government's action). Proofs are shown in the Online Appendix.

# EVL game and distribution of domination

- ‘Consensually strong state equilibrium’:
  - Response to voice (return of benefit to citizen), or
  - No predation
  - → Consolidation of state accountability (and state capacity if required to provide the benefit)

Figure 2: Extended Exit, Voice, and Loyalty Game

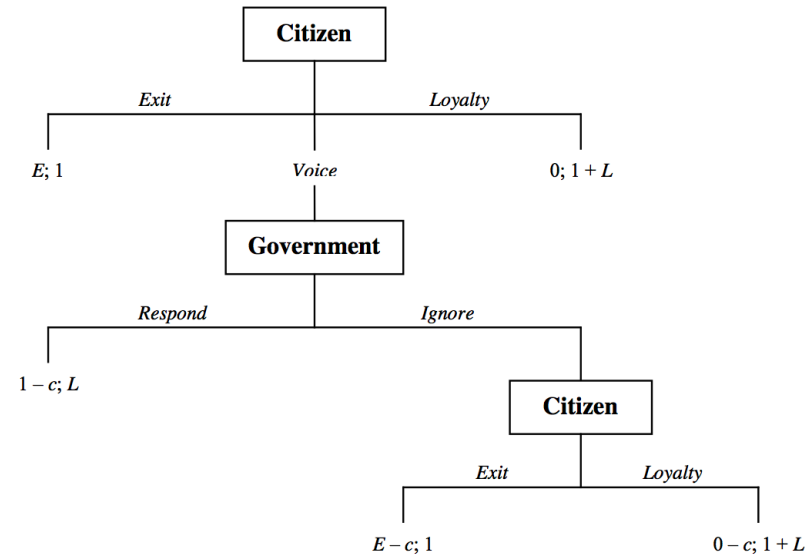


*Note:*  $E$  is the citizen's exit payoff, 1 is the value of the benefit belonging to the citizen at the beginning of the game and which the government is deciding whether to take,  $L$  is the value the government obtains from having a loyal citizen who does not exit,  $c$  is the citizen's cost of using voice, and  $c_g$  is the cost to the government imposed by the citizen's use of voice. It is assumed that  $c, c_g, L > 0$ , and that  $E < 1$ .

# EVL game and distribution of domination

- Low state capacity + low level of development + (potentially) decentralization of predation:
  - Response to voice
  - But:
    - Does the state have capacity to return the benefit?
    - Is the state the predator?
  - If not, exit?
  - → Further weakening of state accountability and state capacity

Figure 1: Exit, Voice, and Loyalty Game



*Note:*  $E$  is the citizen's exit payoff, 1 is the value of the benefit that the government takes from the citizen in the pre-history of the game,  $L$  is the value the government obtains from having a loyal citizen who does not exit, and  $c$  is the citizen's cost of using voice. It is assumed that  $c, L > 0$ .

# EVL game and distribution of domination

- Autonomous states:
  - Voice ignored
  - Citizen exit where credible → state loss of loyalty



# Outcome

- Accountable and capable states stay accountable and capable and continue to deliver public goods / development
- Elsewhere society loses out

What can society do when the state has no incentive to respond to its demands?



¡Viva la Revolución!

# How does regime change happen?

- Escalation of voice through reduction of its cost
- Loss / reduction of state autonomy

# 'Civic culture' / social capital

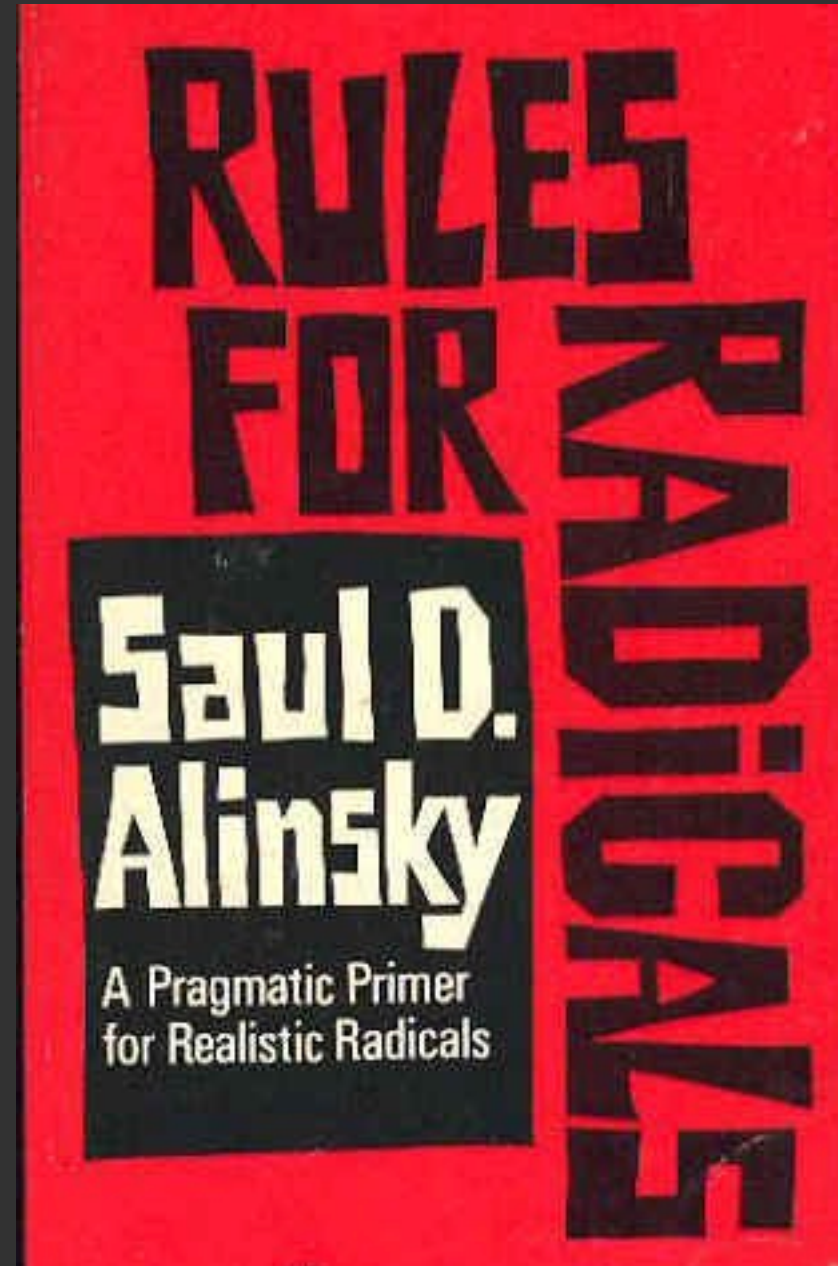


# Vanguard



# Repertoire of contention

- Associations and coalitions
- Public meetings
- Processions
- Vigils
- Rallies and demonstrations
- Sit-ins
- Petitions
- Boycotts and strikes



# Involvement of specialists in violence





# (Rapid) economic change



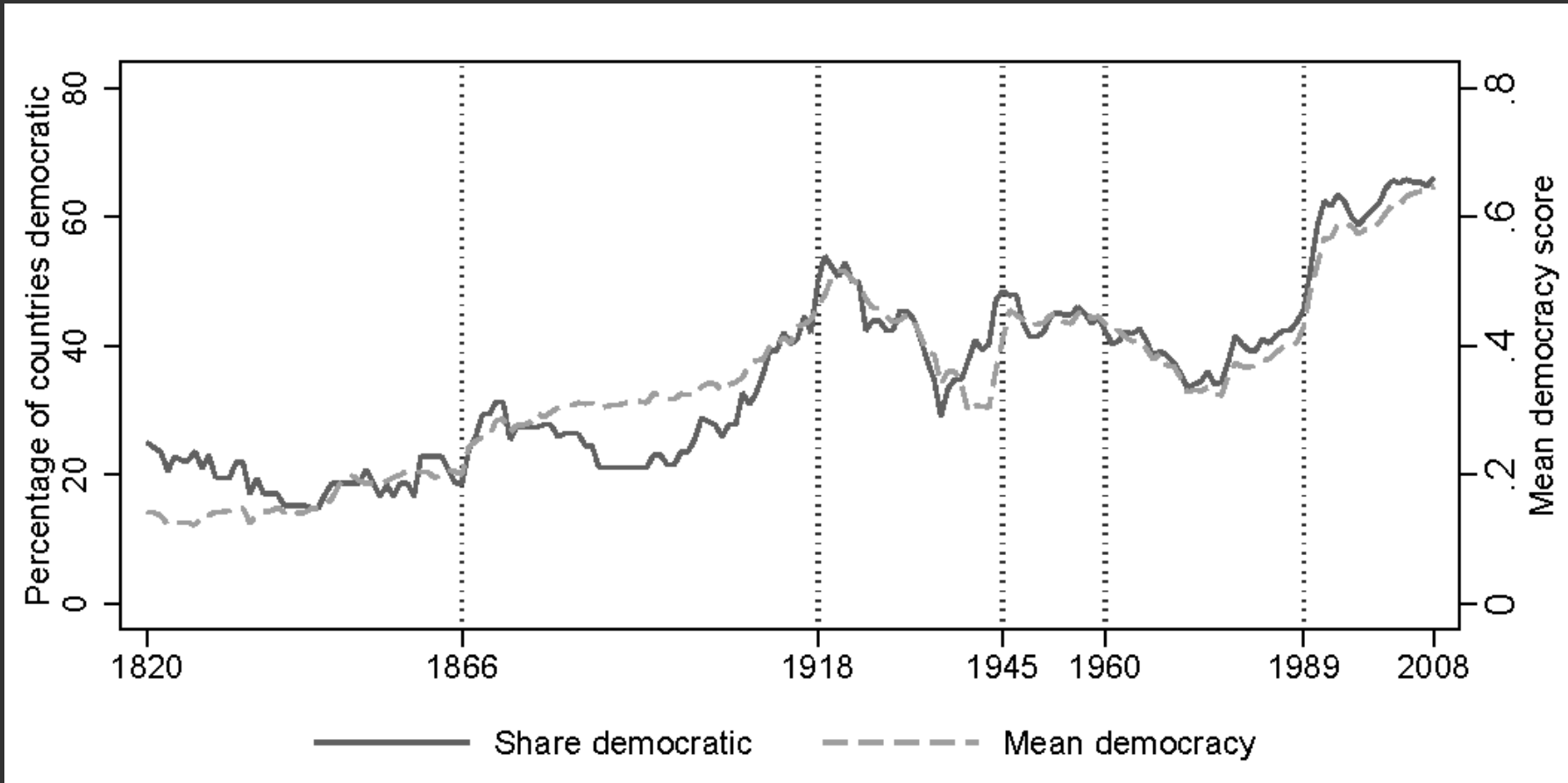
# (Rapid) economic change

- Reduction of cost of voice for citizens
- Reduction of state autonomy—inability to coopt, repress, or placate opposition or sustain patrimonial networks

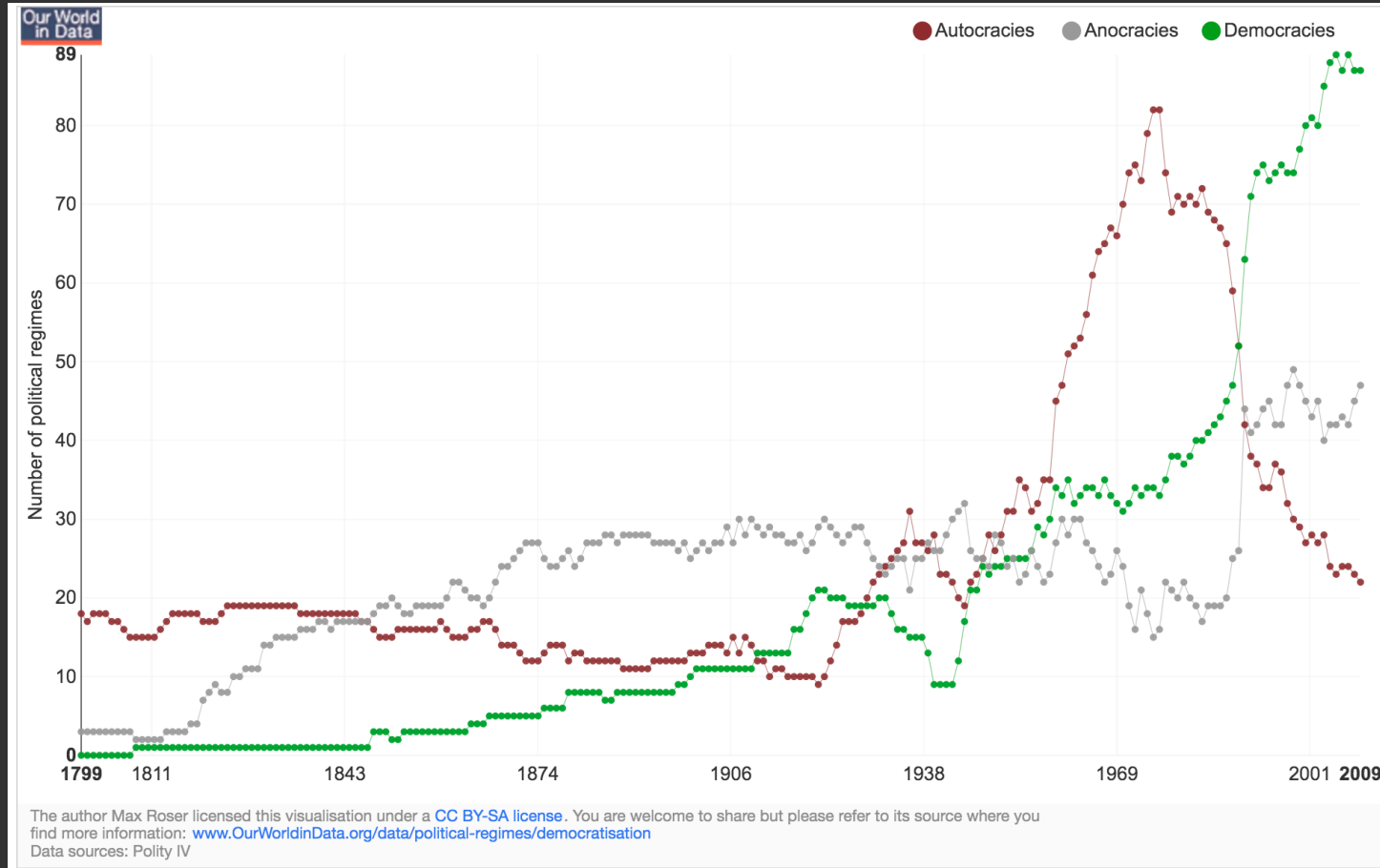
# External influences

- Foreign policy of other countries:
  - Democracy promotion
  - Restrictions on repression
  - Threat of international (humanitarian) intervention
- Diffusion
- Neighbourhood effects
- Changes in the international system

# International system and regime change



# International system and regime change



# Outcomes of regime change

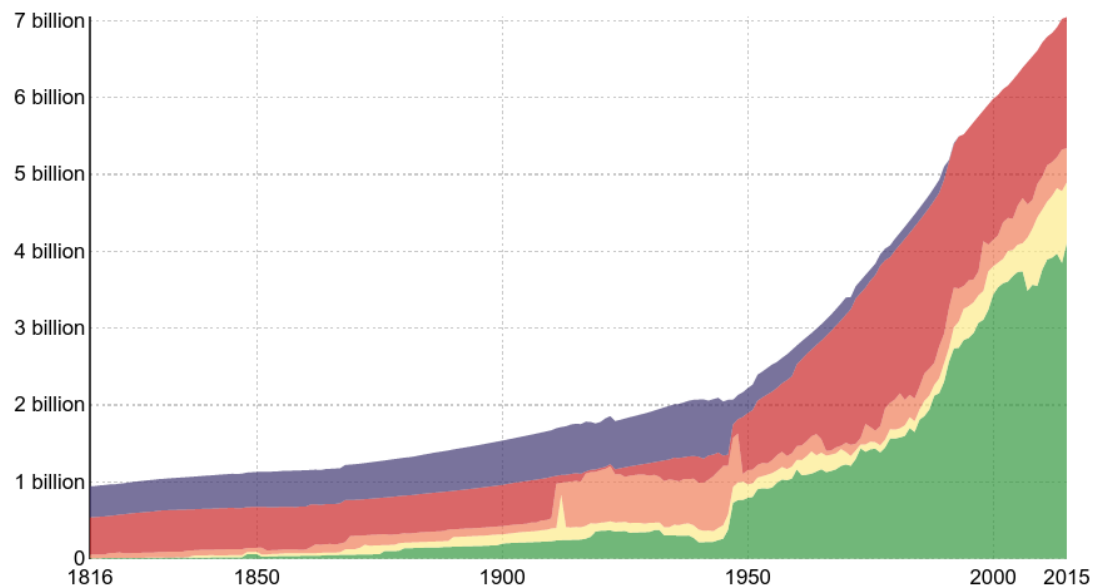
- Level of regime consolidation:
  - Consolidated
  - Unconsolidated
- Regime types:
  - Authoritarian
  - Totalitarian
  - Anocratic / hybrid
  - Democratic

# Democratization trend

## Number of world citizens living under different political regimes

OurWorld  
in Data

The Polity IV score captures the type of political regime for each country on a range from -10 (full autocracy) to +10 (full democracy). Regimes that fall into the middle of this spectrum are called anocracies.



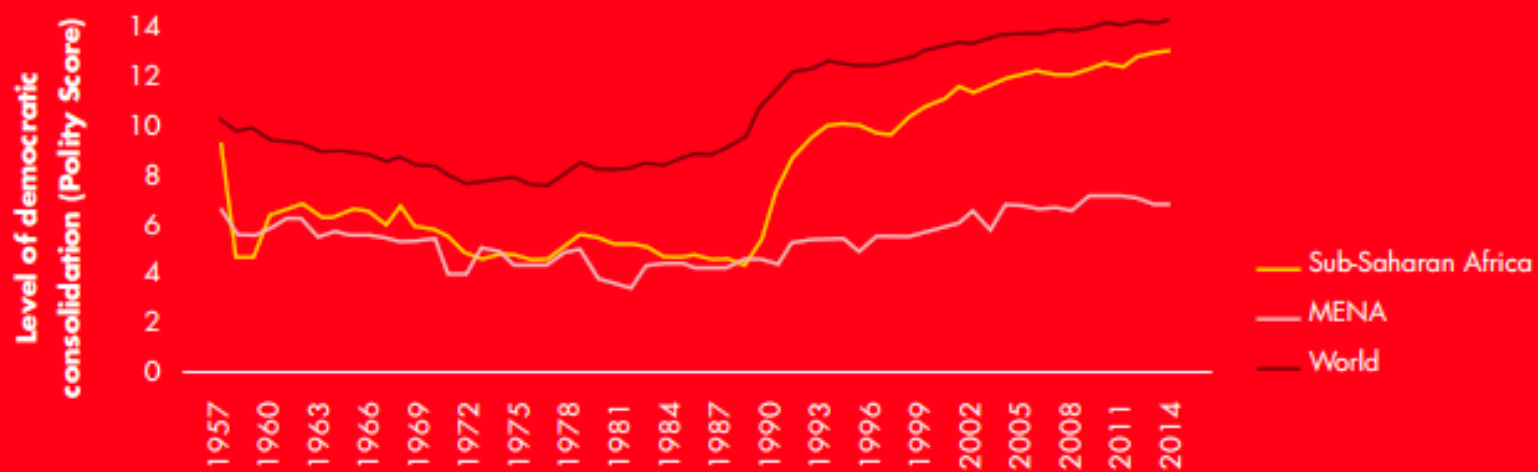
Source: World Population by Political Regime they live in (by Our World In Data)

[OurWorldInData.org/a-history-of-global-living-conditions-in-5-charts/](https://OurWorldInData.org/a-history-of-global-living-conditions-in-5-charts/) • CC BY-SA

# Democratization trend

**FIGURE 6.2. TRENDS IN DEMOCRATIC CONSOLIDATION IN AFRICA**

Progress towards democracy in sub-Saharan Africa has been on the upswing, especially since the 1990s, though the way has not been smooth.



Source: Marshall, Monty G. , & Jaggers, Keith. 2000. "Polity IV project: Political regime characteristics and transitions, 1800-1999," Unpublished manuscript, University of Maryland, Center for International Development and Conflict Management.



# Democracy

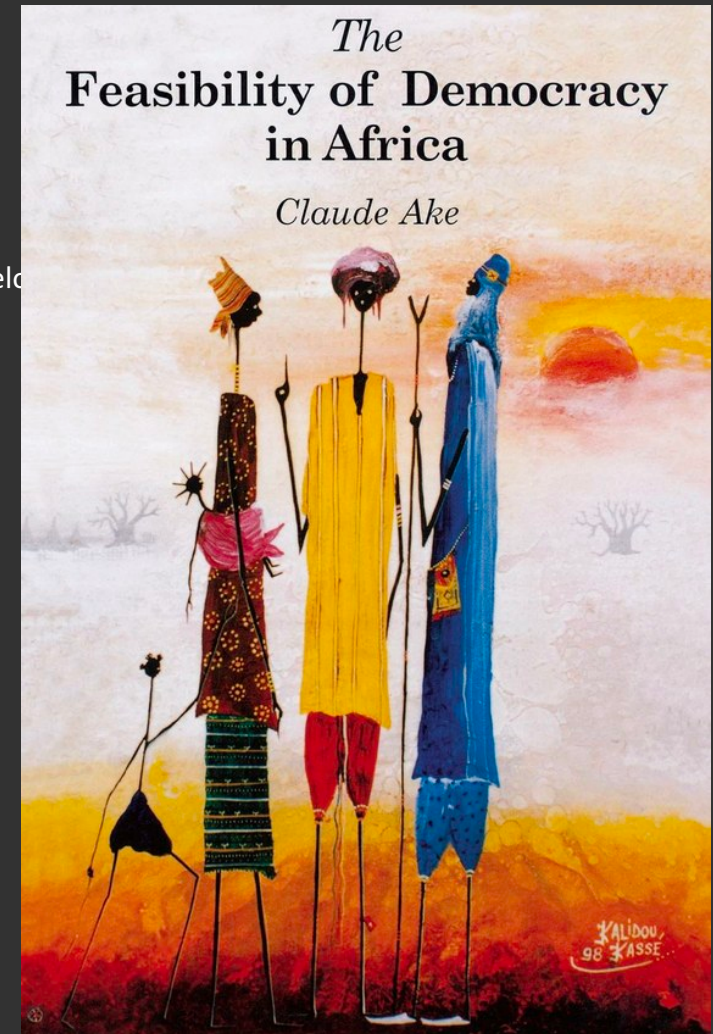
- Schumpeter:
  - “The institutional arrangement for arriving at political decisions in which individuals acquire the power to decide by means of a competitive struggle for the people’s vote.”
    - Schumpeter, Joseph A. 1942. *Capitalism, Socialism and Democracy*. London: Unwin Hyman Ltd.
- Sen:
  - “We must not identify democracy with majority rule. Democracy has complex demands, which include voting and respect for election results, but it also requires the protection of liberties and freedoms, respect for legal entitlements, and the guaranteeing of free discussion and uncensored distribution of news and fair comment.”
    - Sen, Amartya. 1999. “Democracy as a Universal Value.” *Journal of Democracy* 10 (3): 3-17.

# Key democratic processes and institutions

- Political system:
  - Free and fair elections
  - Political pluralism
  - Due process
- Civil society:
  - Active (and free) participation of citizens in politics and civic life
- Rule of law:
  - Protection of the human rights of all citizens
  - Equal application of laws and procedures to all citizens

# Democracy as a social struggle

- Ake:
  - “There is really only one process of democratization, and that is a process of struggle.  
Democracy is never given, it is always taken.”
  - Ake, Claude. 2000. *The feasibility of democracy in Africa*. Dakar, Senegal: Council for the Development of Social Science Research in Africa.



# Benefits of democracy according to Sen

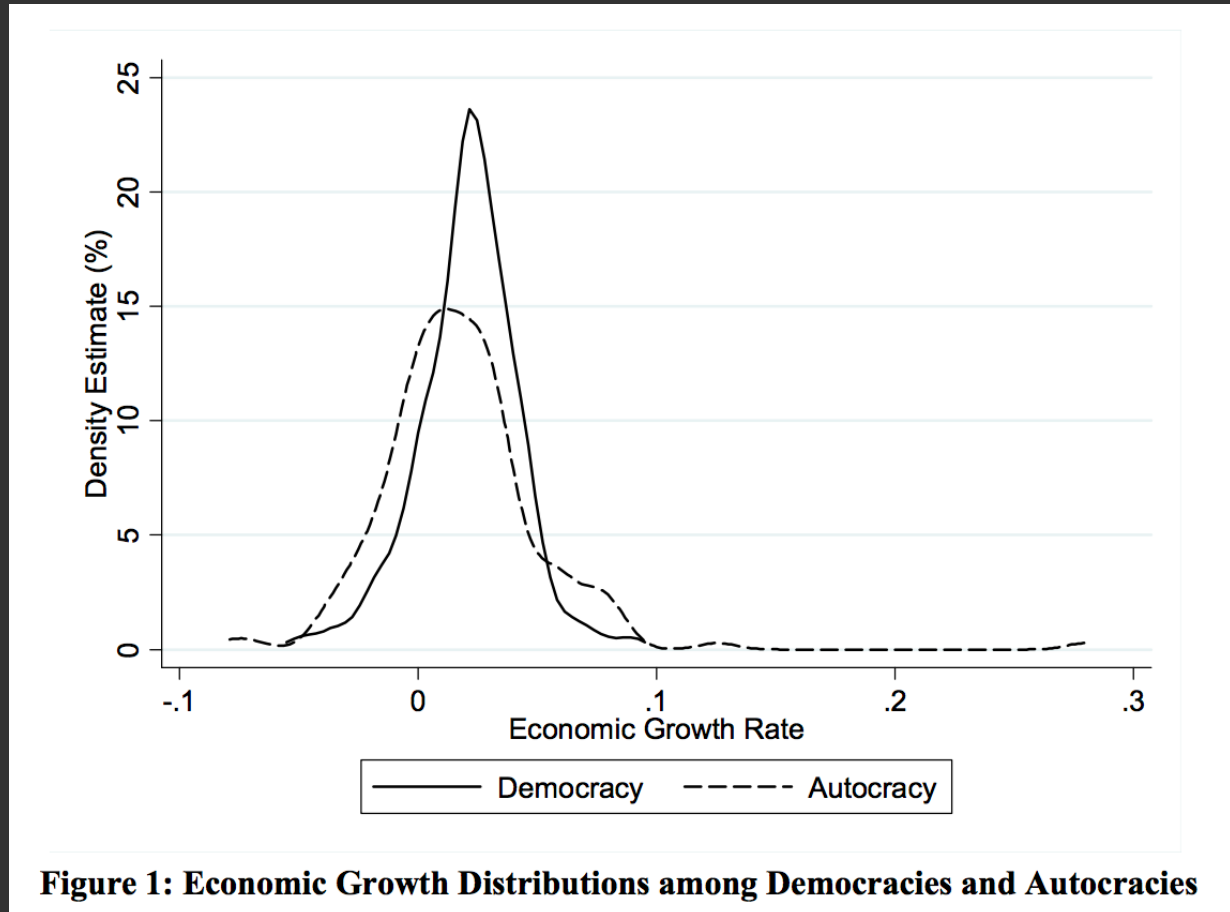
- Intrinsic value:
  - Guaranteeing political freedom
  - Enabling political and social participation
- Instrumental value:
  - People's ability to express and support their claims to political attention
- Opportunity for citizens to learn from one another, and for society to form its values and priorities:
  - Generation of informed and considered choices
  - Formation of values and priorities
    - Sen, Amartya. 1999. "Democracy as a Universal Value." *Journal of Democracy* 10 (3): 3-17.

But does democracy lead to development?

# Regime type and development

- Developmental disadvantages of democracies:
  - Slow and costly decision-making
  - Power of interest groups
  - Particularistic demands
  - Citizen myopia / present-bias
  - Politicians' incentives to deliver short-term observable benefits, not long-term development
- Potential advantages of (consolidated) autocracies:
  - Longer time horizons
  - Insulation from social demands that are not conducive to development
  - Easier, faster decision-making
  - Ease of implementation

# Regime type and development



Source: Besley, Timothy, and Masayuki Kudamatsu. 2008. "Making Autocracy Work." *Institutions and Economic Performance*, no. 20: 452–510.

# Regime type and development

**Table 1: Autocracy, democracy, and development**

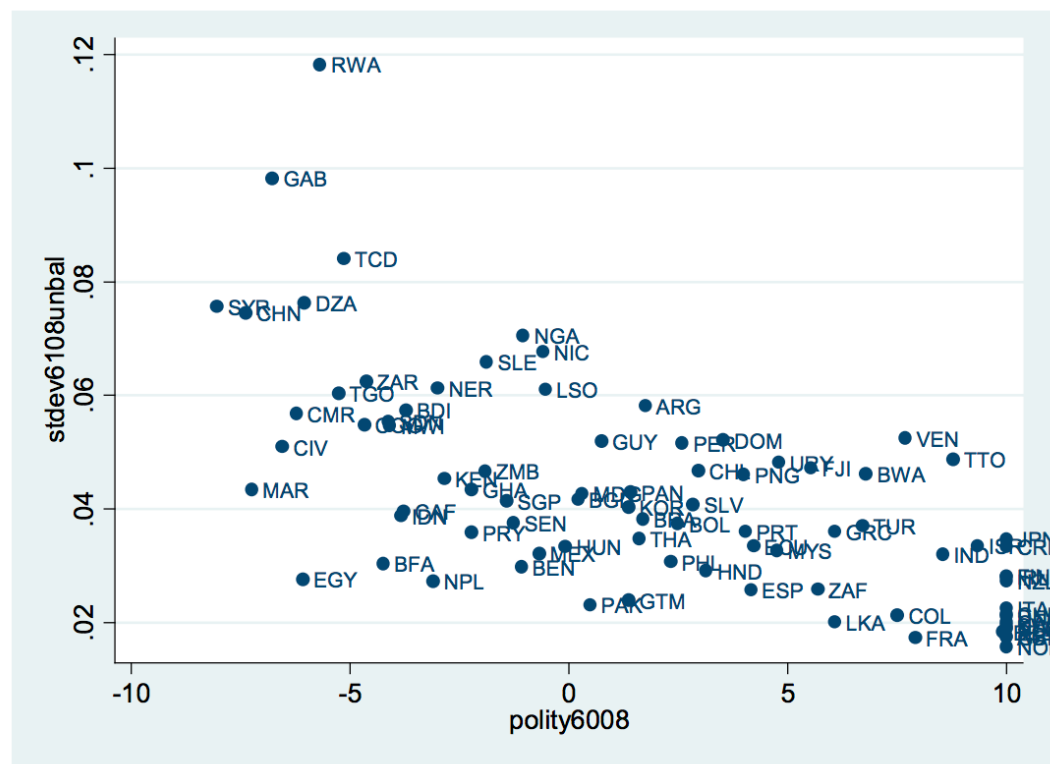
# Developing countries in each category 1960-2008	Big growth failure	Not big growth success or big growth failure	Big growth success
Autocracy or flawed democracy	10	70	9
Democracy	0	12	1

Kelsall, Tim. 2014. *Authoritarianism, Democracy and Development*. Birmingham: Development Leadership Program, University of Birmingham.



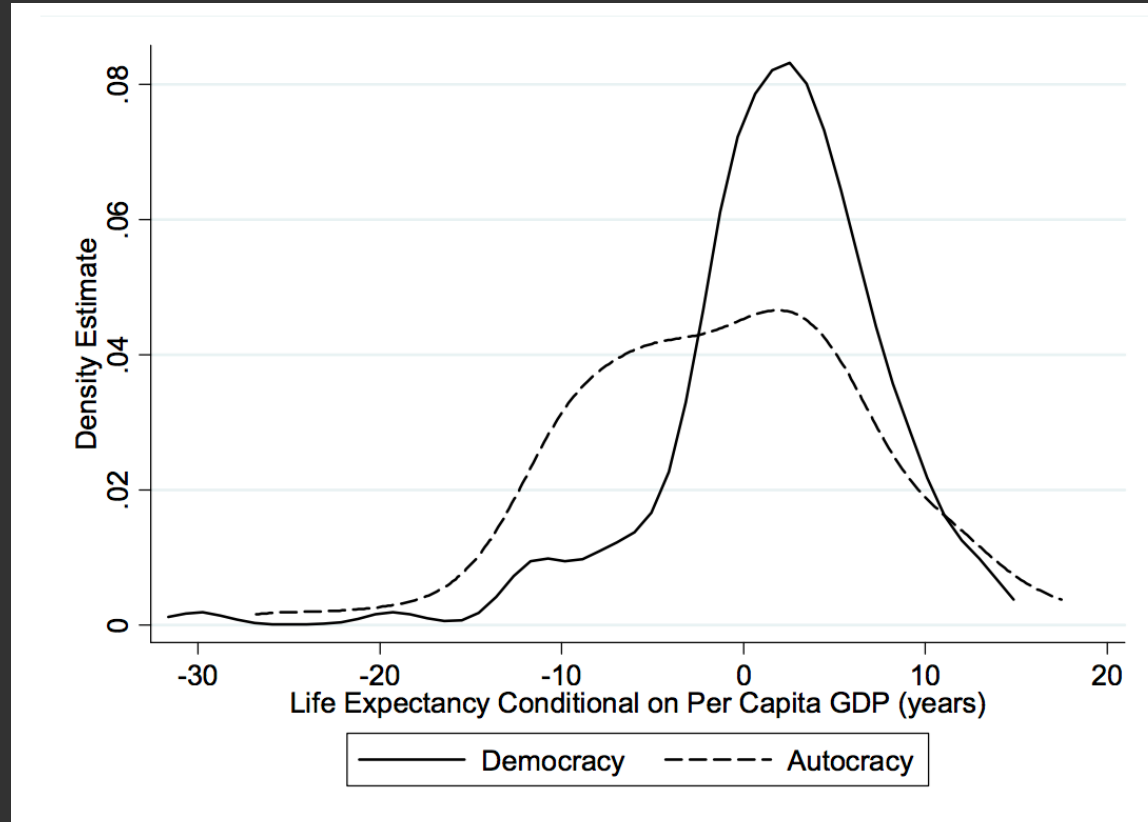
# Regime type and development

Figure 2: Within-country standard deviation of annual per capita growth rates and Polity score, 1960-2008



Easterly, William. 2011. "Benevolent Autocrats." New York: New York University.

# Regime type and development



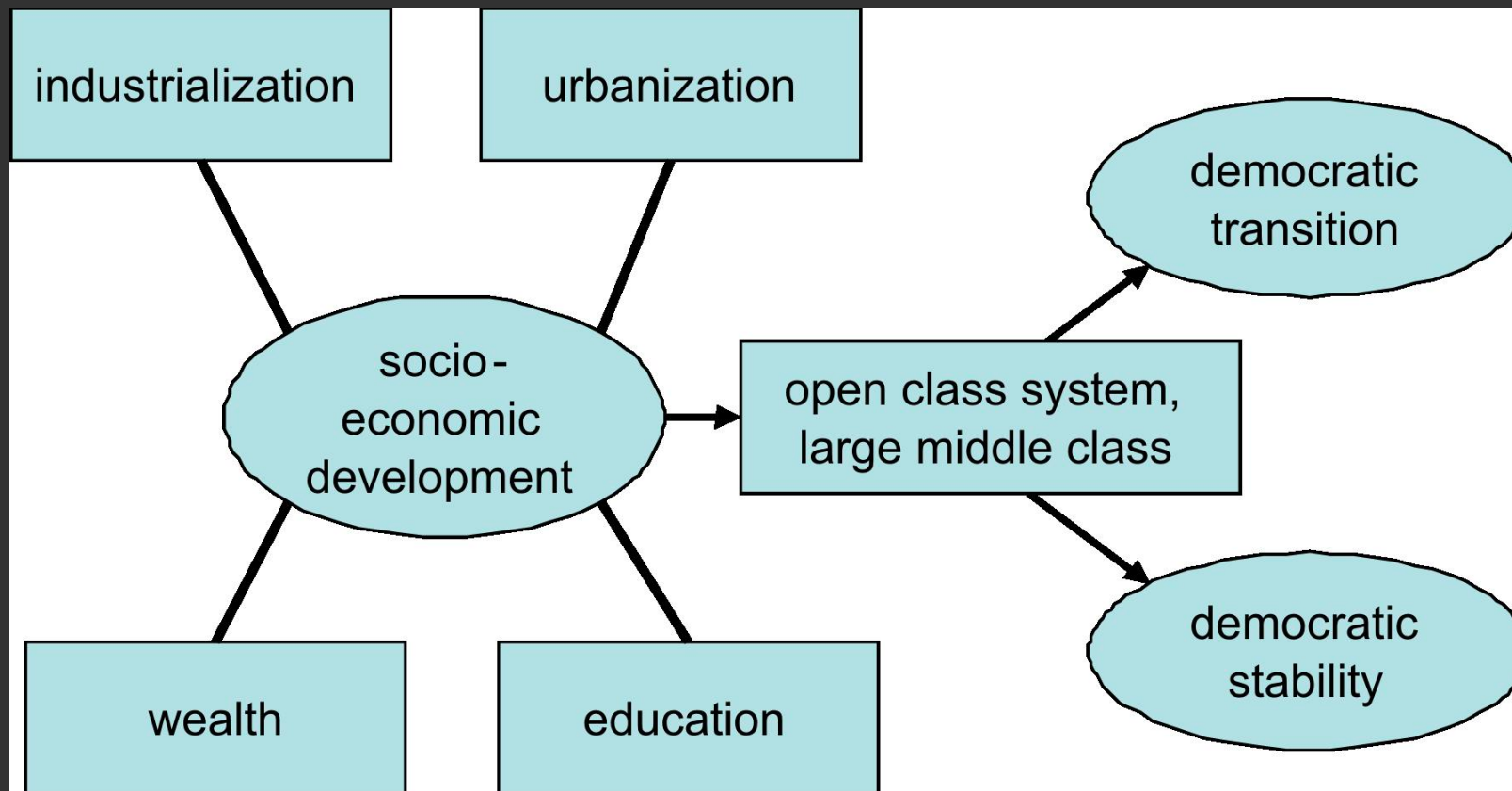
**Figure 2: Health Performance Distributions among Democracies and Autocracies**

Source: Besley, Timothy, and Masayuki Kudamatsu. 2008. "Making Autocracy Work." *Institutions and Economic Performance*, no. 20: 452–510.

# Regime type and development

- Democracies provide more education than autocracies
- However, no evidence that democracies offer better education
  - Dahlum, Sirianne, and Carl Henrik Knutsen. 2017. "Do Democracies Provide Better Education? Revisiting the Democracy–Human Capital Link." *World Development* 94. Elsevier Ltd: 186–99.

# The other modernization theory (Lipset)



Based on Lipset, Seymour Martin. 1959. "Some Social Requisites of Democracy: Economic Development and Political Legitimacy." *The American Political Science Review* 53 (1): 69–105.

# The other modernization theory (Przeworski and Limongi)

- Two possible explanations of the association between development and democracy:
  - Endogenous (=modernization theory):
    - Democracies are more likely to emerge as countries develop economically
    - False
  - Exogenous:
    - Democracies are established independently of economic development but are more likely to survive in developed countries
    - True
      - Przeworski, Adam, and Fernando Limongi. 1993. "Political Regimes and Economic Growth." *Journal of Economic Perspectives* 7 (3): 51-69.

# The other modernization theory (Boix and Stokes)

- Economic development has a strong endogenous effect on democratization
  - Boix, Carles, and Susan C. Stokes. 2003. "Endogenous Democratization." *World Politics* 55 (4): 517–49.

# The other modernization theory (Boix)

- Development has a causal effect on democracy
  - Economic development →
  - Spread of a skilled labour force, declining inequality, and a diversified economy →
  - Transition to and consolidation of democracy as a political equilibrium
- Income level and democracy: in rich countries, any additional growth stabilizes democracies but does not increase the likelihood of a transition to democracy
- Structure of the international order affects democratic transition
  - Boix, Carles. 2011. "Democracy, Development, and the International System." *American Political Science Review* 105 (4).