

SPP 2020: The Political Economy of Non-democracies

Professor: Cristina Corduneanu-Huci

Time: Every Wednesday,
9:00 am – 12:40 pm

Course Credits: 4

Phone: +36 1 327 3000/ext. 2365

E-mail: Corduneanu-HuciC@ceu.hu

Office hours: TBD

Several waves of democratization taking place in the XXth century led to initial expectations that democracy will come to dominate as a political regime type. This turned out to be premature. Many polities in the developing world experienced either brief moments of democratic experiments followed by reversals to authoritarianism, or got stuck in partial equilibria characterized by seemingly democratic elections combined with autocratic tools of repression. The events of the Arab Spring and the recent wave of autocratization are a cautionary tale with respect to overenthusiastic predictions.

Because the type of political regime is consequential for outcomes that matter ranging from public good production and poverty to human rights and conflict, understanding the political economy of non-democracies will help students make sense of the public policy contexts of most developing countries.

The sessions will deal with the following questions: how do non-democratic leaders survive in office? What are the political incentives at work in different types of autocracies with respect to public policy making? Are economic policies and outcomes independent from the political constraints of the regime? Are there certain social groups empowered by autocrats at the expense of other marginalized constituencies? What role does repression play in autocracies? Why do we observe democratic features such as elections and legislative institutions co-existing with it?

The course is structured around four themes: key actors in non-democratic politics, authoritarian political institutions, public policy-making in non-democracies, and regime vulnerabilities. The coverage of the topics will be both theoretical and geographical. The course format will alternate between lectures and concrete case studies co-designed by students and instructor. As a rule of thumb, every theme develops over two consecutive sessions. The first will expose course takers to general debates and empirics, whereas the second will apply the theoretical concepts to a specific case. Some sessions will feature interactive activities and documentary film selections. The final assignment for participants will be based on original research with primary documents from the Open Society Archives.

Course requirements

Attendance is mandatory. Exceptions are allowed only in cases complying with the general university attendance policy, and following the approval of the instructor. Students are required to complete all assigned readings prior to class. The course is designed in an interactive manner, and will allocate time for lecture and interactive activities.

Electronics are permitted in class only as long as their use is strictly related to the course.

Good academic practices

Academic dishonesty – plagiarism, cheating, breaking other norms stipulated by the CEU Code of Ethics - will result in a failing grade. For detailed information on what constitutes plagiarism or cheating and their serious consequences, please go to the following link:

http://archive.ceu.hu/sites/default/files/P-1009-1%20v%201211%20Code%20of%20Ethics_final.pdf

Learning outcomes

By the end of the course, students are expected to be familiar with major theoretical debates and findings related to public policies in non-democracies, as well as to improve their primary research skills.

Pedagogy

Lectures; seminar style discussions; case studies and simulations.

Grading policy

The final course grade will evaluate the completion of the following assignments:

- 1) *Reading notes (20%)* You are expected to submit one reaction-to-readings paragraph 24 hours for six sessions of your choice. These submissions to Moodle should cover three areas: a) the one most important point that you take away from the readings assigned that week; b) a one-sentence critique to an argument; c) one question to guide class discussion.
- 2) *One individual diary entry (20%)*: Throughout the course, for the second session of each theme, you will keep a diary on an autocratic regime or leader of your choice. Each entry is expected to link the relevant theme to what you discover during research.
- 3) *Final paper (40%)*: students are expected to write a 10-15page research paper on any feature of autocratic politics, based on a primary document from the Open Society Archives. This assignment receives 40%.
- 4) *Participation and discussion (10%)* To receive the maximum number of points for class participation, you must arrive on time, miss no more than one class, and contribute to the class discussion every week.

At the end of the semester, the final score is converted to a letter grade according to the CEU grading scale, as follows:

A	3.68 – 4.00
A-	3.34 – 3.67
B+	3.01 – 3.33
B	2.68 – 3.00
B-	2.34 – 2.67
C+	2.33 (minimum pass)

Additional information concerning grading procedures and specifications for turning in the assignments is also included in the CEU School of Public Policy Student Manual.

Two useful textbooks:

Clark, William Roberts, Matt Golder, and Sonal N. Golder. 2013. *Principles of Comparative Politics 2nd edition*. Thousand Oaks, CA: Sage.

Siaroff, Alan. 2009. *Comparing Political Regimes: A Thematic Introduction to Comparative Politics 2nd edition*. Toronto: Higher Education University of Toronto.

Essential books on the politics and economics of dictatorships¹

Albertus, Michael and Victor Menaldo. 2018. *Authoritarianism and the Elite Origins of Democracy*. Cambridge, MA: Cambridge University Press.

Ames, Barry. 1987. *Political Survival: Politicians and Public Policy in Latin America*. Berkeley, CA: University of California Press.

Bueno de Mesquita, Bruce, and Alastair Smith. 2011. *Dictator's Handbook. Why Bad Behavior is Almost Always Good Politics*. Philadelphia, PA: Public Affairs.

Blydes, Lisa. 2010. *Elections and Distributive Politics in Mubarak's Egypt*. Cambridge, MA: Cambridge University Press.

Bueno de Mesquita, Bruce, Alastair Smith, Randolph M. Siverson, and James D. Morrow. 2003. *The Logic of Political Survival*. Cambridge, MA: MIT Press.

Hollyer, James R., B. Peter Rosendorff, James Vreeland. 2018. *Transparency, Democracy, and Autocracy*. Cambridge, MA: Cambridge University Press

¹ Relevant excerpts are uploaded on the Moodle website for the course. Full books are available for temporary loan on the SPP Required Reading Shelf in the CEU library.

Gandhi, Jennifer. 2008. *Political Institutions under Dictatorship*. Cambridge, MA: Cambridge University Press

Geddes, Barbara, Joseph Wright, Erica Frantz. 2018. *How Dictatorships Work: Power, Personalization, and Collapse*. Cambridge, MA: Cambridge University Press.

Geddes, Barbara. 2003. *Paradigms and Sandcastles. Theory Building and Research Design in Comparative Politics*. Ann Arbor, MI: University of Michigan.

Levitsky, Steven, and Lucan Way. 2010. *Competitive Authoritarianism: Hybrid Regimes after the Cold War*. Cambridge, MA: Cambridge University Press.

Lust-Okar, Ellen. 2005. *Structuring Conflict in the Arab world: Incumbents, Opponents, and Institutions*. Cambridge, MA: Cambridge University Press.

Magaloni, Beatriz. 2006. *Voting for Autocracy: Hegemonic Party Survival and Its Demise in Mexico*. Cambridge, MA: Cambridge University Press.

Przeworski, Adam, Michael Alvarez, José Antonio Cheibub, and Fernando Limongi. 2000. *Democracy and Development: Political Institutions and Well-Being in the World, 1950-1990*. New York: Cambridge University Press.

Svolik, Milan W. 2012. *The Politics of Authoritarian Rule*. Cambridge, MA: Cambridge University Press.

Truex, Rory. 2016. *Making Autocracy Work*. Cambridge, MA: Cambridge University Press.

Wintrobe, Ronald. 1998. *The Political Economy of Dictatorship*. Cambridge, MA: Cambridge University Press.

1. Why is the study of non-democracy important for public policy?

January 8 (housekeeping)

Bueno de Mesquita, Bruce, and Alastair Smith. 2011. *Dictator's Handbook. Why Bad Behavior is Almost Always Good Politics*. Philadelphia, PA: Public Affairs. Pages 21-75

Lührmann, Anna, Staffan I. Lindberg. 2019. "A Third Wave of Autocratization is Here: What is New About It?" *Democratization* 26 (7), 1095-1113.

How do we study autocracies? Technical and epistemological challenges

Svolik, Milan. 2013. "Incentives, Institutions, and the Challenges to Research on Authoritarian Politics." *APSA Comparative Democratization Newsletter* 11.2

Recommended:

Brancati, Dawn. 2014. "Democratic Authoritarianism: Origins and Effects." *Annual Review of Political Science*. 17(X)

2. Varieties of non-democratic regimes and leaders

What is a non-democratic system of government? What types of non-democratic regimes are there? What are their defining institutions?

January 15: Types of regimes

Geddes, Barbara, Joseph Wright, Erica Frantz. 2018. *How Dictatorships Work: Power, Personalization, and Collapse*. Cambridge, MA: Cambridge University Press (excerpts to be posted on Moodle).

Recommended:

Linz, Juan and Alfred, Stepan. 1996. *Problems of Democratic Transition and Consolidation. Southern Europe, South America, and Post-communist Europe*. Baltimore, MD: Johns Hopkins University Press: Chapter 3.

Hadenius, Axel, and Jan Teorell. 2007. "Pathways from Authoritarianism." *Journal of Democracy* 18 (1):143-157.

Geddes, Barbara. 2003. *Paradigms and Sandcastles. Theory Building and Research Design in Comparative Politics*. Ann Arbor, MI: University of Michigan. Appendix A.

Remmer, Karen. "Evaluating the Policy Impact of Military Regimes in Latin America." *Latin American Research Review* 13, no. 2 (1978): 39-54.

Diamond, Larry. 2002. "Thinking About Hybrid Regimes." *Journal of Democracy* 13(2): 21-35.

Types of leaders

Wintrobe, Ronald. 1998. *The Political Economy of Dictatorship*. Cambridge, MA: Cambridge University Press. Pages 3-104

Gerschewski, Johannes. 2013. "The Three Pillars of Stability: Legitimation, Repression, And Co-Optation in Autocratic Regimes." *Democratization*, 20:1, 13-38,

Recommended:

BBC News Magazine. December 5, 2014. "What Do Dictators Like to Eat?" Available at: <http://www.bbc.co.uk/news/magazine-30313326>

Singapore:

Zakaria, Fareed. 1994. "Culture is Destiny. A Conversation with Lee Kwan Yew" *Foreign Affairs* 73(2): 109

Central African Republic, Equatorial Guinea, and Uganda

Decalo, Samuel. 1998. *Psychoses of Power: African Personal Dictatorships*. Florida Academic Press

Case study: Computing Polity IV, FH scores and GWF regime categories

3. Leaders, parties, bureaucracies in non-democratic politics

January 22: Bureaucracies, parties, armies, and secret services in autocracies

Brownlee, Jason. 2008. "Bound to Rule: Party Institutions and Regime Trajectories in Malaysia and the Philippines," *Journal of East Asian Studies* (January)

Svolik, Milan. 2013. "Contracting on Violence: Moral Hazard in Authoritarian Repression and Military Intervention in Politics." *Journal of Conflict Resolution* (X)

Geddes, Barbara. 2009. How Autocrats Defend Themselves Against Armed Rivals. APSA Toronto Meeting Paper. Available at SSRN: <http://ssrn.com/abstract=1451601>

Recommended:

Michael Albertus, and Victor Menaldo. 2012. "Dictators as Founding Fathers? The Role of Constitutions under Autocracy" *Economics and Politics* 24(3): 279-306.

Case study: Malaysia, Egypt

Brownlee, Jason. 2008. "The Heir Apparency of Gamal Mubarak," *Arab Studies Journal* (Spring).

4. Leaders and their coalitions of support

January 29: Businesses, unions, and interest groups in autocracies

Bellin, Eva. 2000. "Contingent Democrats: Industrialists, Labor, and Democratization in Late-Developing Countries." *World Politics* 52(2): 175-205.

Darden, Keith A. 2001. "Blackmail as a Tool of State Domination: Ukraine under Kuchma." *East European Constitutional Review* 10: 67.

Recommended:

Haber, Maurer, and Razo. 2003. *The Politics of Property Rights*. Cambridge, MA: Cambridge University Press: Chapter on industry

Public support, trust, distrust, middle class, de-politicization

Schedler, Andreas. 2002. "The Menu of Manipulation." *Journal of Democracy* 13(2): 36-50.

Diwan, Ishak. 2013. "Understanding Revolution in the Middle East: The Central Role of the Middle Class" *Middle East Development Journal* 5(1).

Treisman, Daniel. 2020. "Economic Shocks and Authoritarian Responses: Putin's Strategy after the Global Financial Crisis of 2008–9," with Natalia Lamberova, in Victor Shih, ed., *Economic Shocks and Authoritarian Stability*, University of Michigan Press

Recommended:

Geddes, Barbara, and John Zaller. 1989. "Sources of Popular Support for Authoritarian Regimes" *American Journal of Political Science* 33(2): 319-347.

Case study: Morocco, Tunisia

Maghraoui, Abdeslam M. 2002. "Depoliticization in Morocco" *Journal of Democracy* 13(4): 24-32.

Cohen, Shana. 2003. "Alienation and Globalization in Morocco: Addressing the Social and Political Impact of Market Integration." *Comparative Studies in Society and History* 45(01): 168-189.

5. Autocrats and human rights

February 5

Vatulescu, Cristina. 2004. "Arresting Biographies: The Secret Police File in the Soviet Union and Romania." *Comparative Literature* 56(3): 243-261.

Vreeland, J. R. 2008. "Political Institutions and Human Rights: Why Dictatorships Enter into the United Nations Convention Against Torture." *International Organization* 62(1): 65.

Young, Lauren. 2019. "The Psychology of State Repression: Fear and Dissent Decisions in Zimbabwe." *American Political Science Review*, 113(1), 140-155.

Case study

Tony Judt + Tamara Ratz on the House of Terrors (Budapest)

Group visit to Terrorhaza

6. Autocrats, taxation, spending, development, public services

February 12: Taxation and spending

Blaydes, Lisa. 2010. *Elections and Distributive Politics in Mubarak's Egypt*. Cambridge, MA: Cambridge University Press, pages 64-77.

Wintrobe, Ronald. 1998. *The Political Economy of Dictatorship*. Cambridge, MA: Cambridge University Press, pages 127-160.

Mulligan, Casey, Ricard Gil, and Xavier Sala-i-Martin. 2004. "Do Democracies Have Different Public Policies Than Non-democracies?" *Journal of Economic Perspectives* 18(1): 51–74.

Recommended:

Cheibub, Jose A. 1998. "Political Regimes and the Extractive Capacity of Governments: Taxation in Democracies and Dictatorships." *World Politics* 50(3): 349-76.

Hausken, Kjell, Christian W. Martin, and Thomas Plümper. 2004. "Government Spending and Taxation in Democracies and Autocracies." *Constitutional Political Economy* 15(3): 239-59.

McGuire, Martin C, and Mancur Olson. 1996. "The Economics of Autocracy and Majority Rule." *Journal of Economic Literature* 34(1): 72-96.

Public services, welfare regimes, economic development

Mares, Isabela, and Mathew Carnes. 2009. 'Social Policy in Developing Countries', *Annual Review of Political Science* 12: 93-113.

Recommended:

Olson, Mancur. 1993. "Dictatorship, Democracy, and Development." *American Political Science Review* 87(3): 567-576

Deacon, Robert T., and Sarani Saha. 2006. "Public Goods Provision under Dictatorship and Democracy." In *The Elgar Companion to Public Economics: Empirical Public Economics*, edited by Attiat F. Ott and Richard J. Cebula. 75-90. Cheltenham, UK: Edward Elgar Publishing.

Case study: Cuba

Corrales, J. "The Gatekeeper State: Limited Economic Reforms and Regime Survival in Cuba, 1989-2002." *Latin American Research Review* (2004): 35-65.

7. Autocrats, rent-seeking, corruption

February 19

Heydemann, Steven. 2004. *Networks of Privilege in the Middle East: The Politics of Economic Reform Revisited*. Palgrave MacMillan. pages 37-77

McMillan, John and Pablo Zoido. 2004. "How to Subvert Democracy: Montesinos in Peru," *Journal of Economic Perspectives* (Fall): 69-92.

Yadav, Vineeta and Bumba Mukherjee. 2016. *The Politics of Corruption in Dictatorships*. Cambridge, MA: Cambridge University Press.

Case study: Peru

8. Autocrats, investment, and growth

February 26

Bueno de Mesquita, Bruce, Alastair Smith, Randolph M. Siverson, and James D. Morrow. 2003. *The Logic of Political Survival*. Cambridge, MA: MIT Press, pages 129-171

Przeworski, Adam, Michael Alvarez, José Antonio Cheibub, and Fernando Limongi. 2000. *Democracy and Development: Political Institutions and Well-Being in the World, 1950-1990*. New York: Cambridge University Press, pages 106-122, 142-178

Truex, Rory. 2016. *Making Autocracy Work*. Cambridge, MA: Cambridge University Press (excerpts on Moodle)

Recommended:

Acemoglu, Daron and James Robinson. 2012. *Why Nations Fail? The Origins of Power, Prosperity, and Poverty*. New York: Crown Publishing, chapter 3

Autocrats, political risk, and foreign investors

Jensen, Nathan et al. 2012. *Politics and Foreign Direct Investment*. Ann Arbor, MI: University of Michigan Press, pages 27-52.

Gilson, Ronald J., and Curtis J. Milhaupt. 2011. "Benevolent Dictators: Lessons for Developing Democracies" *American Journal of Comparative Law* 59(1): 227-288.

Recommended:

Li, Quan. 2009. "Democracy, Autocracy, and Expropriation of Foreign Direct Investment" *Comparative Political Studies* 42(8): 1098-1127.

Case studies: DRC, Saudi Arabia

9. Information and commitment dilemmas in non-democracies

March 4 - Elections, information, and policy outcomes

Rozenas, Arturas. 2016. "Office Insecurity and Electoral Manipulation." *The Journal of Politics* 78:1, 232-248.

Gandhi, Jennifer, and Ellen Lust-Okar. 2009. "Elections under Authoritarianism." *Annual Review of Political Science* 12: 403-422.

Lust-Okar, Ellen. 2009. "Competitive Clientelism in the Middle East." *Journal of Democracy* 20(3): 122-35.

Case studies: **China, Venezuela**

March 11 – Credible commitment problems and solutions

Hollyer, James R., B. Peter Rosendorff, James Vreeland. 2018. *Transparency, Democracy, and Autocracy*. Cambridge, MA: Cambridge University Press (excerpts posted on Moodle).

Gehlbach, Scott, and Philip Keefer. 2011. "Investment without Democracy: Ruling-Party Institutionalization and Credible Commitment in Autocracies." *Journal of Comparative Economics* 39 (2): 123–39.

Recommended:

Haber, S. H., A. Razo, and N. Maurer. 2003. *The Politics of Property Rights: Political Instability, Credible Commitments, and Economic Growth in Mexico, 1876–1929*. New York: Cambridge University Press. Pages 18-30

Case studies: Iran and Venezuela

World Bank. 2005. "The Islamic Republic of Iran. Report on Public Financial Management, Procurement, and Expenditure Systems in Iran." Washington, DC

Monaldi, F. 2001. "Sunk-Costs, Institutions, and Commitment: Foreign Investment in the Venezuelan Oil Industry." Unpublished manuscript, Stanford University, Department of Political Science

10. Democratic processes in non-democracies (public deliberation, transparency, accountability)

March 18: Open institutions and public spaces of deliberation in autocracies

Gandhi, Jennifer. 2008. *Political Institutions under Dictatorship*. Cambridge, MA: Cambridge University Press, pages TBA

Chandra, Siddarth, and Nita Rudra. 2014. "Reassessing the Links between Regime Type and Economic Performance: Why Some Authoritarian Regimes Show Stable Growth and Others Do Not" *British Journal of Political Science* (X)X: 1-33

Wedeen, Lisa. 2007. "The Politics of Deliberation: Qat Chews as Public Spheres in Yemen." *Public Culture* 19(1): 59-84.

Recommended:

Wright, J. 2008. "Do Authoritarian Institutions Constrain? How Legislatures Affect Economic Growth and Investment." *American Journal of Political Science* 52(2): 322-43.

Policy responsiveness in authoritarian parliaments

Gandhi, Jennifer, and Adam Przeworski. 2007. "Authoritarian Institutions and the Survival of Autocrats." *Comparative Political Studies* 40 (11):1279-1301.

Malesky, Edmund, and Paul Schuler. 2010. Nodding or Needling: Analyzing Delegate Responsiveness in an Authoritarian Parliament. *American Political Science Review* 104(3): 482-502.

Miller, Michael K. 2014. Elections, Information, and Policy Responsiveness in Autocratic Regimes. *Comparative Political Studies* X(X)

Case study: China, Lybia

11. Quick sands: fragility, vulnerability, transitions

March 25: Anticipating potential transitions

Acemoglu, Daron, Tarek A. Hassan, and Ahmed Tahoun. 2014. "The Power of the Street: Evidence from Egypt's Arab Spring" *NBER Working Paper Series*: WP 20665.

Bunce, Valerie, and Susan Wolchik. 2010. "Defeating Dictators: Electoral Change and Stability in Competitive Authoritarian Regimes" *World Politics* 62(01): 43-86

Recommended:

Fisman, Raymond. 2001. "Estimating the Value of Political Connections." *American Economic Review* 91(4): 1095-1102.

Diagnosing and misdiagnosing regime vulnerabilities

Treisman, Daniel. 2017. "Democracy by Mistake" NBER Working Paper No. 23944.

Kuran, Timur. 1991. "Now out of Never: The Element of Surprise in the East European Revolution of 1989." *World Politics* 44(1): 7-48.

Recommended:

Marinov, Nikolay. 2005. "Do Economic Sanctions Destabilize Country Leaders?" *American Journal of Political Science* 49(3): 564-76.

Robertson, Graeme. 2007. "Strikes and Labor Organization in Hybrid Regimes." *American Political Science Review* 101(4): 781-98

Case study: Sudan, student examples