

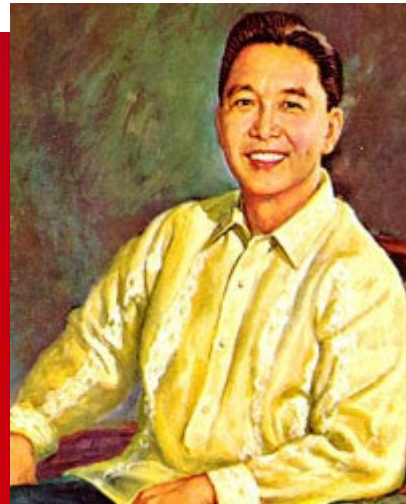
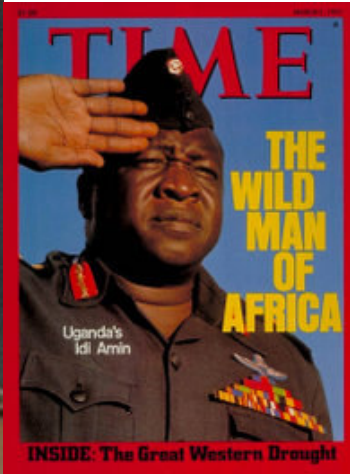
11

Dictatorship and Democracy

1. A Typology of Autocracies
2. The Logic of Political Decisions in Autocratic Regimes
3. The Trilemma of the Autocrat
4. Democratization and Autocratization
5. Selectorate Theory: A Unified View on Government in Autocracies and Democracies
6. Two Views on Autocracy, Democracy and Economic Growth

.....Seitenumbruch.....

**Not all Autocracies are the same...
and neither are autocrats**



-----Seitenumbruch-----

A Classification of Autocratic Regimes (Wintrobe)

Totalitarians

-- Complete Control

“the permanent domination of each single individual in each and every sphere of life” (Hannah Arendt)

Examples: Stalin

Tinpots

-- no/little interference with daily life

-- main interest in political power to self-enrichment

Examples: Marco, Shah of Persia, Noriega

Tyranny

-- regime that maintains power through violence

-- regime that ignores material needs of people

Examples: Kim Il-Sung, Idi Amin

Timocracy

-- dictators, who ‘love’ their people (well, don’t they all?)

Examples: Lee Kwan Yew

Political Survival in Autocratic Regimes: The Trilemma

Assumption 1:

Autocratic governments want to maximize survival in power AND seek (economic) benefits from being in power.

Assumption 2:

There are two possibilities autocrats can lose power:

- to an autocratic successor (a coup-d'etat)
- to the people (revolution)

Assumption 3:

The easiest way to model this is to allow for an elite divided into two groups (the dominant and the dominated) and the people

Assumption 4:

Autocrats can freely determine their 'budget' $G = (1 - \tau)Y$, and they can distribute the budget they raised across the factions of the elite $G = \alpha d + (1 - \alpha)s$.

Assumption 5:

A coup is more likely the larger tau and the larger alpha.

Assumption 6:

A revolution is more likely, the larger tau and the larger alpha.

Results:

Autocrats either buy support from the dominated group of the elite (by letting α be relatively small) OR from the people (by allowing a low τ).

Predictions:

If the economy weakens, autocrats need to strongly reduce their own consumption (they need to stabilize support from the dominated faction) or to gain the support of the people (by lowering τ , that is by implementing market reforms).

Thus:

Autocrats cannot simultaneously

maximize their individual welfare

sufficiently reduce the likelihood of a coup

sufficiently reduce the likelihood of a revolution

-----Seitenumbruch-----

Why are Democracies on Average Richer than Autocracies: On Democratization and Autocratization

Przeworski et al.

Argument: Probability of regime change is always larger than zero.

Probability of democratization is independent of per capita gdp.

Probability of autocratization declines in per capita income.

Accordingly: poor countries fluctuate between being autocracies and democracies; rich countries, once democratic, are relatively unlikely to become autocracies.

→ democracies are richer.

-----Seitenumbruch-----

Selectorate Theory (BDM, Smith, Siverson, Morrow)

Definitions:

The Selectorate: set of individuals that participate in choosing the leader

-- small in autocracies, large in democracies

Winning Coalition: set of individuals that are needed to determine the leader

- often selectorate/2,
- might be larger in autocracies
- size depends on political/electoral system in democracies

-----Seitenumbruch-----

Autocracy, Democracy and Economic Growth

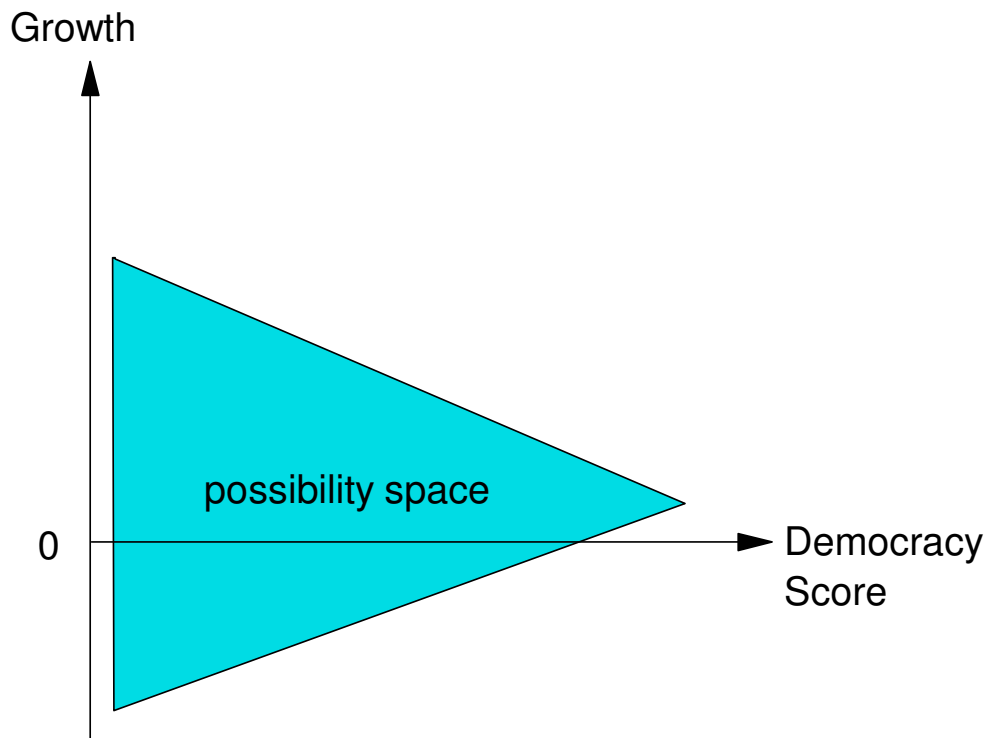
The Random Choice of Leader Characteristics Theory

Assumption 1: Autocratic regimes are economically superior, as they can direct resources to the most efficient sector.

Assumption 2: Autocratic leaders are uncontrolled, democratic leader are controlled.

Assumption 3: Autocratic leaders can use the resources ineffectively (i.e.: for themselves), democratic leaders cannot.

Results:



-----Seitenumbruch-----

Plümpert/ Martin

Assumption 1:

Autocrats and Democrats can buy support by transferring resources to the 'winning coalition' or by providing public goods.

Assumption 2:

The efficiency of these Instruments (the amount of support one can buy) depends on the size of the

selectorate: if small, transfers are more efficient, if large, public goods are more efficient.

Assumption 3:

Therefore, autocrats dominantly buy support by transferring resources to the selectorate, democrats buy support by producing public goods.

Production Function

$$S_g = R^{(1-s)} + P^s$$

Result:

For a wide range of parameter sizes, government spending decreases if we move from an autocratic to less autocratic regime, but increases if we move from a intermediate regime to a democratic regime.

Predictions:

1. Government spending is u-shaped in the level of democracy.
2. Economic growth (is linear in government spending) is inverse u-shaped in the level of democracy.
3. The interaction effect between the level of democracy and government spending increases economic growth. (Thus: spending is more efficient in democratic regimes).

Conclusion:

Autocrats overinvest in transfers (*and* underinvest in public goods), democrats overinvest in public goods.